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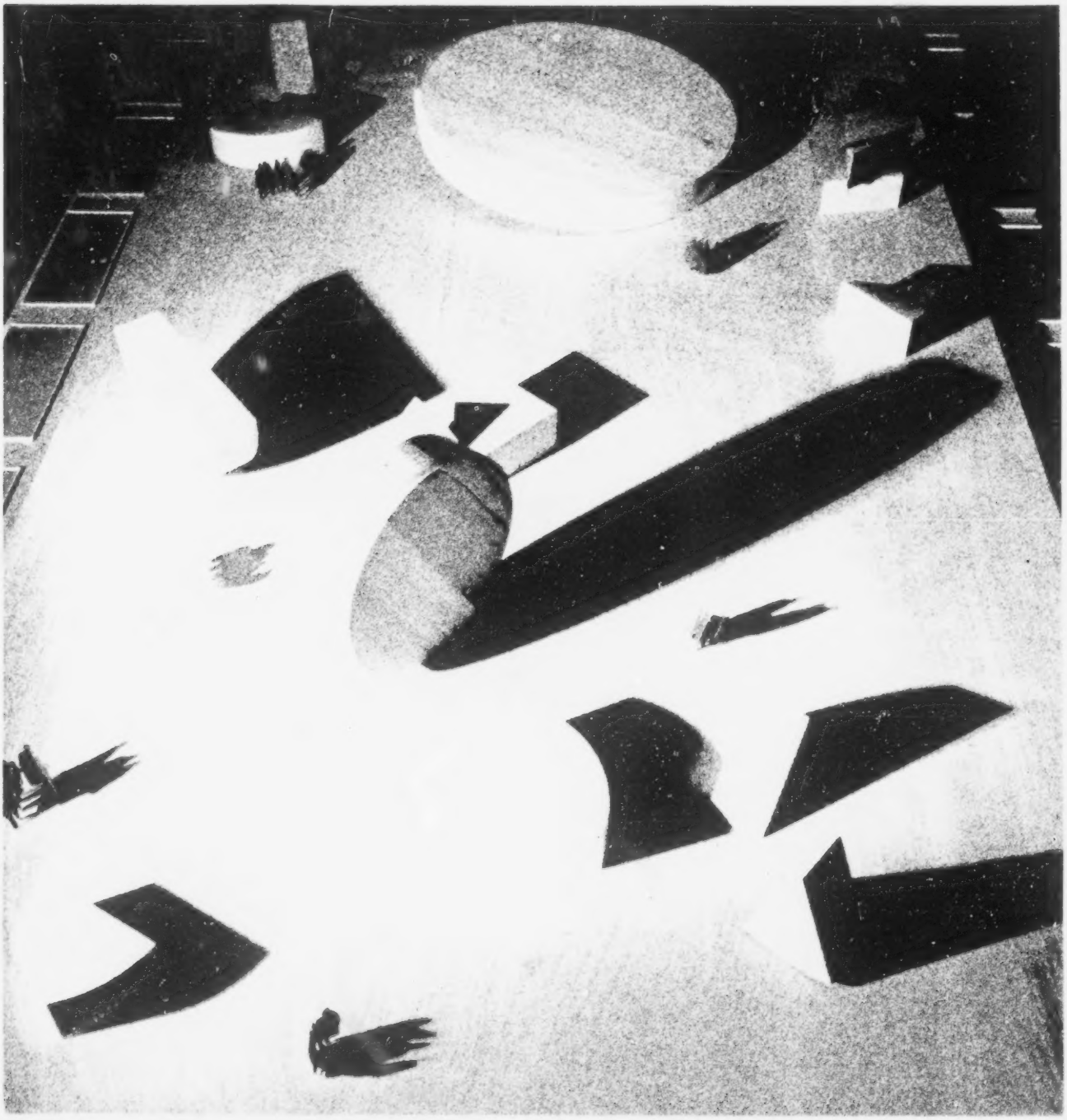
STATE OF MICHIGAN
ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 1979
WILLIAM G. MILLIKEN, GOVERNOR



PREPARED BY DEPARTMENT OF MANAGEMENT & BUDGET

ANNUAL FINANCIAL REPORT

OF THE

STATE OF MICHIGAN

For The Fiscal Year Ended September 30, 1979

Prepared By:

THE DEPARTMENT OF MANAGEMENT AND BUDGET

GERALD H. MILLER, DIRECTOR

ACCOUNTING DIVISION

JAMES J. BOLTHOUSE, DIRECTOR

WILLIAM G. MILLIKEN

GOVERNOR

STATE OF MICHIGAN

WILLIAM G. MILLIKEN, Governor

DEPARTMENT OF MANAGEMENT AND BUDGET

STEVENS T. MASON BLDG.
P.O. BOX 30026, LANSING, MICHIGAN 48909
GERALD H. MILLER, Director

To: Governor William G. Milliken
Members of the Legislature
People of the State of Michigan

The Financial Report of the State of Michigan for the fiscal year ended September 30, 1979 has been prepared in accordance with Article IX, Section 21, of the Constitution and Public Act 431 of 1965.

This report includes transactions and balances of all funds credited to and disbursed from the State Treasury including transactions and balances of funds administered by the State Treasurer as fiscal agent for the servicing of bonds.

Not included in this report are financial operations of: the autonomous colleges and universities (except for grants to these institutions from general state revenues); certain authorities such as the Mackinac Bridge, International Bridge and Mackinac Island State Park Commission bonding activities, Michigan State Housing Development Authority, the Michigan State Hospital Finance Authority, the Higher Education Facilities Authority, the State Building Authority and the Michigan Job Development Authority (except those costs appropriated in the General Fund), Commissions promoting state agriculture products; local custodial funds held by institutions in a trust capacity; local funds administered for the benefit of patients, inmates and members of institutions; the Unemployment Compensation Benefit Trust Fund, involving employer payroll taxes and unemployment benefits; and those assets, liabilities and equities of the Michigan Higher Education Assistance Authority, the Brown-McNeely Insurance Fund and the State Accident Fund which are outside the Treasurer's and central accounting records. Programs and operations such as these are exempted by law from operating through the State Treasury.

This Annual Financial Report has been prepared, where possible, in accordance with the principles of financial reporting enunciated in Statement 1, "Governmental Accounting and Financial Reporting Principles," of the National Council on Governmental Accounting (NCGA). This statement is published by the Municipal Finance Officers Association (MFOA).

The State of Michigan has approximately eighty individual funds which are grouped in accordance with Statement 1 into one of the following fund types, governmental, proprietary, and fiduciary. Each of the fund types is further divided into classifications. The governmental funds type contains the general fund, special revenue funds, bond funds, and debt service funds. The fund classifications within the proprietary funds type are enterprise funds and internal service funds. Trust and agency funds are the two classifications within the fiduciary fund type.

The following briefly explains the statement presentation for this annual report. It should be noted first that there are four basic statements presented: Combined Balance Sheet - All Fund Types and Account Group; Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds; Combined Statement of Revenues, Expenses, and Changes in Retained Earnings and Contributions/Fund Balances - Proprietary Fund Types and Similar Trust Funds; and Combined Statement of Changes in Financial Position - Proprietary Fund Types and Similar Trust Funds. In addition, there is a schedule entitled Changes in Assets and Liabilities - Agency Fund. Since the State of Michigan has only one agency fund to report, this statement is not included by definition as a basic statement. There is an important deviation from Statement 1 reporting requirements - Statement 1 requires a "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General and Special Revenue Fund Types." This statement is not included in this financial report because the data necessary to produce the statement is not available.

The individual statements are presented in this Annual Financial Report in accordance with a "financial reporting pyramid" concept. There are two basic levels of statement presentation, the combining level and the combined level. In the combining level statements, individual funds of a similar classification (i.e., special revenue, debt service, enterprise, etc.) are reported individually (trust and agency funds are reported in a consolidated category of vertical columnar form). The individual columns are arranged horizontally. Certain fund classifications (special revenue as an example) have combining statements by generic fund type (i.e., conservation related, recreation related, etc.) because of the large number of funds in the classification. The combined statements contain, in vertical columns, the totals for each of the fund classification's combining statements. Thus, the combined statements provide an overview of all fund classifications reported in the Annual Financial Report. It should be noted that the combined statements contain a reconciliation column so that overall totals are available for all funds reported in the Annual Financial Report.

The General Fund Balance at September 30, 1979 was $39.2 million, a decrease of $15.5 million compared to that of September 30, 1978. Also at September 30, 1979 the Budget Stabilization Fund had a balance of $49.1 million, an increase of $126.2 million over the previous year.

Respectfully submitted,

Gerald H. Miller
Director

February 1, 1980

FINANCIAL SECTION

STATE OF MICHIGAN

OFFICE OF

ALBERT LEE, C.P.A.

AUDITOR GENERAL

LANSING

Franklin C. Pinkelman, C.P.A.
Deputy

The Honorable William G. Milliken, Governor
Members of the Legislature

February 29, 1980

We have examined the accompanying combined financial statements of the various funds and the long-term debt account group of the State of Michigan as of September 30, 1979 and for the fiscal year then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Your attention is drawn to the following departures from generally accepted accounting principles:

- Refunds of overpayments of income tax estimated at $368.0 million, and reimbursement of property taxes and home heating costs for certain Michigan citizens not subject to Michigan income tax estimated at $135.6 million applicable to the period January 1, 1979 to September 30, 1979 have not been provided for in the accompanying financial statements. These payments will be financed from revenue during fiscal year 1979-80. However, generally accepted accounting principles require that they be recorded as a liability at September 30, 1979. Had such provision been made, the fund balance of the General Fund at September 30, 1979 would be reduced by approximately $503.5 million. The corresponding amount at September 30, 1978 was $453.5 million.

- Property, plant, and equipment purchased with funds provided by the General Fund, certain Special Revenue Funds, and from the proceeds of certain bond issues have not been reported in a statement of general fixed assets. Capital outlay expenditures for these funds have been charged to operations. However, accounts payable for construction in progress have not been reported as liabilities in any funds. The effect of the foregoing departures from generally accepted accounting principles on the accompanying financial statements has not been determined. However, the State recorded the fixed assets and accumulated depreciation of the Liquor Purchase Revolving Fund for the first time during fiscal year ended September 30, 1979. The net effect of these transactions increased retained earnings of the fund by $4.8 million.

- The State's contributions to the various retirement funds have been made in accordance with current Michigan statutes, except for the application of Act 73, P.A. 1959, to the State Employees' Retirement Fund. This act provides that the unfunded accrued service cost be financed in such a manner as to maintain the unfunded accrued service costs as a level percent of payroll ("interest only"). The actual State contribution to the State Employees' Retirement Fund during the year ended September 30, 1979 was $18.8 million less than the amount required by law. Further, Accounting Principles Board Opinion No. 8, "Accounting For The Cost of Pension Plan," requires that annual provisions for pension costs range between a minimum and a maximum as defined in the Opinion. Calculations made by consulting actuaries indicate that the amounts of the State contributions to three retirement funds were less than the minimum required by APB 8 and, therefore, were not determined in accordance with generally accepted accounting principles. This results in the deferral of such costs to future years when covered employees retire or otherwise terminate employment. The actuarially determined APB 8 minimum provisions for the year ended September 30, 1979 exceeded actual State contributions by $34.1 million to the State Employees' Retirement Fund, $11.0 million to the State Police Pension, Accident and Disability Fund, and $32.8 million to the Public School Employees' Chapter I Retirement Fund. Had contributions to the above three retirement funds for the year ended September 30, 1979 been made in accordance with the minimum provision required by generally accepted accounting principles, as calculated by the consulting actuaries, the fund balance of the General Fund would be reduced at September 30, 1979 by $72.4 million.

- The State of Michigan is contingently liable in respect to many lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would normally require appropriation of revenues yet to be realized, and the effect on the accompanying financial statements at September 30, 1979 has not been determined.

In our opinion, except for the effects of the matters discussed in the preceding paragraph, and subject to the effects of such adjustments, if any, as might have been required had the outcome of the lawsuits and other claims referred to in the preceding paragraph been known, the combined financial statements referred to in the first paragraph present fairly the combined financial position of the various funds and the long-term debt account group of the State of Michigan as of September 30, 1979, and the combined results of operations of such funds and the combined changes in financial position of the proprietary funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change, with which we concur, in the method of accounting for fixed assets of the Liquor Purchase Revolving Fund as described in the preceding paragraph.

Very truly yours,

Albert Lee

ALBERT LEE, C.P.A.
Auditor General

Deloitte
Haskins Sells

Suite 3100
100 Renaissance Center
Detroit, Michigan 48243
(313) 446-0100
TWX 810-221-9473

February 29, 1980

The Honorable Albert Lee
Auditor General
State of Michigan
Lansing, Michigan

Dear Sir:

The accompanying financial statements of the State of Michigan as of September 30, 1979 and for the year then ended were not audited by us and, accordingly, we do not express an opinion on them. As explained in the following paragraphs, we believe that, in certain respects, such financial statements have not been prepared in accordance with generally accepted accounting principles applied on a basis consistent with the preceding year:

- Department of Treasury records indicate that a substantial portion of the personal income taxes collected by the State during the period January 1, 1979 to September 30, 1979 will be refunded after receipt of individual tax returns due April 15, 1980 as a result of overwithholding and property and other tax credits. However, no provision for such refunds has been made in the accompanying financial statements as required by generally accepted accounting principles because the State intends to finance the refunds with revenue received during the 1979-1980 fiscal year. Based upon Department of Treasury calculations, had such a provision been made, the fund balance of the General Fund at September 30, 1979 would have been reduced by $503.5 million. The corresponding amount at September 30, 1978 was $453.5 million.

- Property, plant and equipment purchased with funds provided by the General Fund and certain Special Revenue Funds, and from the proceeds of certain bond issues, have not been reported in the accompanying financial statements in a separate Statement of General Fixed Assets. In addition, accounts payable for construction in progress have not been reported as liabilities. The effect of these departures from generally accepted accounting principles on the accompanying financial statements has not been determined.

- Generally accepted accounting principles require that pension expense include, as a minimum, a provision for "normal" costs based upon services rendered by each employee during the current fiscal year and, where applicable, a provision for unfunded prior service costs equivalent to the amortization of such costs over a forty-year period. Beginning with the fifteen-month fiscal period ended September 30, 1976, the State adopted a practice of funding prior service costs for the principal retirement plans in "perpetuity." This practice is contrary to generally accepted accounting principles because it essentially limits current pension contributions to the aggregate of normal costs and an amount representing interest on unfunded prior service costs. This results in the deferral of such costs to future years when covered employees become retired or otherwise terminate their employment. Had contributions for the year ended September 30, 1979 to the retirement funds been made in accordance with the minimum required by generally accepted accounting principles as calculated by the State's consulting actuaries, the fund balance of the General Fund would be reduced by $72.4 million at that date.

- As of October 1, 1978, in accordance with generally accepted accounting principles, the State recorded in the financial statements of the Liquor Purchase Revolving Fund the cost of fixed assets used in the operations of that fund aggregating $7.0 million together with an allowance for accumulated depreciation of $2.2 million. This resulted in a credit to retained earnings of the Liquor Purchase Revolving Fund of $4.8 million.

- No determination has been made as to what, if any, provision should be made in the accompanying financial statements for any losses that may result upon final resolution of claims and litigation pending against the State.

Yours truly,

Deloitte Haskins + Sells

STATE OF MICHIGAN

COMBINED BALANCE SHEET

ALL FUND TYPES AND ACCOUNT GROUP

SEPTEMBER 30, 1979

(In Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS
ASSETS				
Cash in State Treasurer's Common Cash Fund	$ 2,481	$ 1,124		
Equity in State Treasurer's Common Cash Fund	21,870	322,730	$ 1,134	$ 10,418
Cash (restricted)				96
Taxes, interest, and penalties receivable	518,510	90,211		
Less allowance for uncollectibles	(29,000)	(12,000)		
Taxes receivable (net)	489,510	78,211		
Accounts receivable (net)	1,000	2,000		
Accounts receivable from other funds	1,000	4,000		
Accounts receivable from Federal government				
(net)	611,000	71,000		2,000
Interest receivable from Federal government				
(net)	11,000	1,000		1,000
Accounts receivable from local units	110,000	10,000		
Accounts receivable from individuals				
Accounts receivable from private sources		4,000		
Investments		1,000		
Investments, at cost (net of unamortized premium or discount)				
Advances to other funds		50,000	50,000	21,000
Inventory, at cost (net of valuation reserve)				
Prepaid items			1,000	461
Land		4,000		165
Other assets	18,000	3,000	33	
Buildings and equipment				
Allowance for depreciation				
Amount available for retirement of bonds				
Amount to be provided for retirement of bonds				
Total Assets	$ 727,000	$ 490,000	$ 28,000	$ 88,000
LIABILITIES AND FUND EQUITY				
Liabilities:				
Liability to State Treasurer's Common Cash Fund	$	$ 90,000	$	$
Warrants outstanding	85,000	12,000		100
Accounts payable	200,000	100,000		2,000
Accounts due to other funds	36,000	10,000		
Amounts withheld from contractors		2,000		100
Amounts due to other governmental agencies	4,000	1,000		
Payroll taxes payable from contribution fund				
Prize awards payable		32,000		
Deferred revenue	9,000	12,000		100
Other liabilities	14,000	1,000		10
Bonds payable				
Total Liabilities	348,000	260,000		4,000
Fund Equity				
Retained earnings and contributions				
Fund balances:				
Reserved for encumbrances	61,000	3,000		55,000
Reserved for retirement system				
Other reserved	174,000	114,000		4,000
Unreserved	29,000	276,000	28,000	23,000
Total Fund Equity	267,000	393,000	28,000	84,000
Total Liabilities and Fund Equity	$ 707,000	$ 885,000	$ 28,000	$ 88,000

The accompanying notes are an integral part of the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)	
ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	TRUST AND AGENCY FUNDS	LONG-TERM DEBT	SEPTEMBER 30, 1979	SEPTEMBER 30, 1978
$ 2,385	$ 256	$ 4,456	$ -	$ 17,722	$ 16,913
10,711	2,003	784,015	-	1,581,881	1,232,943
-	-	-	-	473	718
-	-	-	-	548,401	414,185
-	-	-	-	(96,815)	(69,892)
-	-	-	-	119,663)	(135,474)
27	-	42,938	-	81,157	42,705
-	-	18,428	-	241,380	260,438
-	-	-	-	(1461)	(1111)
-	154	31,618	-	105,418	87,069
-	-	6,874	-	6,874	11083
-	-	-	-	4,067	-
60,083	6,277	-	-	86,884	86,380
-	-	4,597,186	-	4,594,624	4,014,291
-	-	(103,212)	-	(104,804)	(78,901)
-	-	-	-	4,359	2,621
483	47	78,638	-	116,429	104,493
6,901	-	-	-	6,901	6,901
16,017	25,763	-	-	41,780	30,933
(7,842)	(12,933)	-	-	(20,776)	(16,884)
-	-	-	27,949	27,949	28,162
-	-	-	618,355	618,355	689,322
$ 88,768	$ 21,568	$ 5,381,133	$ 646,305	$ 7,848,254	$ 6,915,916
$ -	$ -	$ -	$ -	$ 80,486	$ 76,810
299	303	14,110	-	107,585	108,126
73,030	1,487	4,703	-	483,306	398,253
-	-	34,400	-	81,157	42,705
-	-	3,063	-	15,644	14,360
-	-	3,518	-	7,690	6,630
-	-	73,374	-	73,374	66,551
-	-	-	-	52,542	56,228
-	-	3,109	-	25,376	15,957
62	23	5,807	-	21,641	7,109
-	-	-	646,305	646,305	717,485
73,394	1,815	142,148	646,305	1,595,110	1,510,218
15,374	19,753	-	-	35,128	51,704
-	-	-	-	126,878	136,923
-	-	4,567,998	-	4,567,998	3,925,765
-	-	256	-	495,452	460,211
-	-	670,730	-	1,027,685	831,092
15,374	19,753	5,238,985	-	6,253,143	5,405,697
$ 88,768	$ 21,568	$ 5,381,133	$ 646,305	$ 7,848,254	$ 6,915,916

STATE OF MICHIGAN

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	BOND
REVENUES				
Taxes	$ 4,331,188	$ 1,212,836	$ -	$ -
From federal agencies	1,844,822	284,903	-	1,800
From local agencies	32,052	5,929	7,618	-
From services	45,618	214	-	-
From licenses and permits	66,867	31,068	3,868	-
Miscellaneous	98,981	502,495	2,122	1,294
Total Revenues	6,419,529	2,538,390	13,608	3,094
EXPENDITURES				
Current:				
General government	303,048	256,482	-	6,566
Education	1,077,771	1,472,380	-	-
Health and welfare	2,558,304	-	-	-
Public safety and corrections	266,307	-	-	554
Conservation and recreation	142,617	-	1	168
Regulatory	194,110	91,073	-	-
Mental health	450,925	-	-	-
Transportation	-	602,064	321	2
Other	639,257	-	-	-
Capital outlay	82,827	287,420		32,836
Debt service:				
Principal retirement	-	-	71,180	-
Interest and fiscal charges	-	-	32,489	-
Total Expenditures	5,715,171	2,709,412	103,991	40,112
Excess of Revenues over (under) Expenditures	704,358	(171,021)	(90,391)	(35,017)
OTHER FINANCING SOURCES (USES)				
Proceeds of general obligation bonds	-	-	-	-
Operating transfers in	388,550	1,743,713	92,652	-
Operating transfers out	(1,138,684)	(1,384,530)	(5,729)	(12,458)
Total Other Financing Sources (Uses)	(750,133)	359,183	86,922	(12,458)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(45,775)	188,161	(3,468)	(47,476)
Fund Balances (including reserves) - October 1	315,866	411,402	31,958	131,282
Adjustment to beginning fund balances	(2,922)	-	-	-
Adjusted fund balances-October 1	312,944	411,402	31,958	131,282
Fund Balances (including reserves) - September 30	$ 267,169	$ 599,564	$ 28,489	$ 83,805

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	FISCAL YEAR ENDED	
EXPENDABLE TRUST FUNDS	SEPTEMBER 30, 1979	SEPTEMBER 30, 1978
$ -	$ 4,044,023	$ 5,389,620
63,530	2,197,059	2,122,897
454,907	500,508	454,036
1,247	47,579	38,889
-	101,734	100,910
302,429	907,823	702,726
822,114	9,798,733	8,809,081
773,260	1,339,361	1,173,321
4,127	2,554,278	2,353,370
-	2,556,304	2,367,337
-	266,892	232,024
-	142,779	138,158
15,335	300,520	281,765
3,434	454,360	386,944
77,600	679,978	561,822
-	639,257	558,519
-	403,052	307,958
-	71,180	66,925
-	32,484	34,789
873,767	9,442,455	8,455,927
(51,653)	356,274	353,154
-	-	31,000
193,380	2,418,298	1,749,432
(18,530)	(2,349,923)	(1,786,075)
184,800	(131,625)	(5,643)
133,297	224,649	347,511
537,522	1,428,033	1,080,522
-	(2,922)	-
537,522	1,425,111	1,080,522
$ 670,819	$ 1,649,760	$ 1,428,033

STATE OF MICHIGAN

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS/FUND BALANCES

PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1978

(In Thousands)

	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
OPERATING REVENUES:		
Operating Revenues	$ 80,844	$ 33,196
Contributions from Private and Governmental Sources		
Investment Earnings		
Court Fines and Penalties and Escheats		
Miscellaneous		
Total Operating Revenues	137,350	33,196
OPERATING EXPENSES:		
Salaries, Wages, and Fringe Benefits	3,209	2,301
Contractual Services, Supplies, and Materials	3,230	1,231
Depreciation	939	2,335
Purchases for Resale	22,922	9,142
Payments for Beneficiaries		9,183
Benefit Payments, Premiums, and Refunds		
Medical, Dental, and Life Insurance Claims		
Refunds to Contributors		
Capital Outlay		
Total Operating Expenses	30,300	30,210
Operating Income	81,050	2,986
NONOPERATING REVENUES (EXPENSES):		
Interest Income	10	
Realized Gain on Investments	6,771	
Provision for Loss on Investments	(16)	
Credit for Federal Excise Tax Paid on Distilled Spirits Sold to Military Establishments	(14)	
Gain (or Loss) on Sale of Fixed Assets	(1)	(16)
Sale of Surplus and Salvage Items		16
Total Nonoperating Revenues (Expenses)	6,750	0
Income Before Operating Transfers	88,310	2,986
OPERATING TRANSFERS:		
Operating Transfers In	113	87
Operating Transfers Out	(113,609)	(14,950)
Total Operating Transfers In (Out)	(113,496)	(14,863)
Net Income (Loss)	(25,186)	(11,877)
Retained Earnings and Contributions/Fund Balances - October 1	36,773	18,431
Capitalization of Fixed Assets	1,787	
Retained Earnings and Contributions/Fund Balances - September 30	$ 13,374	$ 6,554

The accompanying notes are an integral part of the financial statements.

STATE OF MICHIGAN

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
SOURCES OF FUNDS:		
Working Capital		
Net Income (loss)	$ (24,389)	$ 2,902
Items not requiring (providing) working capital:		
Depreciation	497	1,438
Loss (gain) on disposal of fixed assets	3	14
Sale of fixed assets	-	(90)
Contributed fixed assets included in operating transfers	(514)	-
Working Capital Provided	(24,403)	4,264
Increase in retained earnings due to capitalization of fixed assets	5,607	-
Total Sources of Funds	$ (18,896)	$ 4,264
APPLICATION OF FUNDS:		
Acquisition of fixed assets	$ 481	$ 2,889
Capitalization of fixed assets	5,607	-
Net Increase (decrease) in working capital	(24,907)	1,375
Total Application of Funds	$ (18,896)	$ 4,264
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:		
Cash (in transit and imprest funds)	$ 287	$ (69)
Equity in State Treasurer's Common Cash Fund	5,570	1,755
Investments	-	-
Amounts due from other funds	22	(54)
Amounts receivable from local units of government	-	98
Inventories	(227)	(762)
Other assets	34	(62)
Warrants outstanding	6,330	536
Accounts payable	(36,903)	(79)
Amounts due other funds	4	28
Other liabilities	(26)	(16)
Net Increase (Decrease) in Working Capital	$ (24,907)	$ 1,375

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	FISCAL YEAR ENDED	
RETIREMENT RELATED TRUST FUNDS	SEPTEMBER 30, 1979	SEPTEMBER 30, 1978
$ 642,232	$ 620,567	$ 432,694
-	3,832	3,813
-	18	(10)
-	240	751
-	(519)	-
642,232	624,638	436,248
-	5,607	-
$ 642,232	$ 630,246	$ 436,248
$ -	$ 5,938	$ 5,000
-	5,607	-
642,232	618,700	431,247
$ 642,232	$ 630,246	$ 436,248
$ (98)	$ 120	$ 733
178,891	186,217	259,646
483,150	483,150	141,861
4,333	4,300	8,445
2,090	2,139	6,907
-	(990)	9,344
11,272	11,244	1,928
(3,133)	3,732	(2,512)
(112)	(37,094)	4,207
(32,038)	(32,006)	(3)
(2,123)	(2,165)	689
$ 642,232	$ 618,700	$ 431,247

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

BASIS OF ACCOUNTING

Depreciation

Buildings and equipment which are recorded as fixed assets in the Enterprise and Internal Service Funds are depreciated over their useful class lives under the straight-line method except for automotive equipment in the Motor Transport Revolving Fund (an Internal Service Fund), which are depreciated under the 150% declining balance method.

Inventories

In all material areas, inventories are valued at cost.

Investments

Equity investments are recorded at cost; all other investments are recorded at par (plus or minus unamortized premium or discount).

Lottery Revenues and Prizes

Revenues and prizes of the State Lottery are generally recognized on the drawings are held. Certain prizes are payable in deferred installments, which are recorded at the present value of the future payments discounted at a rate of 6%.

Deferred Revenue

Deferred revenue represents cash or other assets which have been recorded prior to fiscal year end but will not be earned until a subsequent fiscal year. Revenue will be earned when the State provides the goods or service for which the cash or other assets were originally recorded.

Fund Balances

Fund balances are the excess of assets of a fund over liabilities. This term is not applicable to the Enterprise or Internal Service Funds.

A reserve of a fund balance represents that portion which must be segregated for some future use and which is, therefore, not available for further appropriation. Reserved amounts carry forward into the succeeding fiscal period for purposes indicated by the reservation. Unreserved fund balances are available for further appropriation.

Revenue

Revenues are resource additions attributable to a designated fiscal accounting period which affect the fund balance or retained earnings resulting from the operations of that period. As stated in "Basis of Accounting" above, they may include certain items earned during that period but not received in cash until a subsequent period.

Revenue of the State of Michigan is classified according to the source from which it originates, as follows:

General taxes
Revenue from federal agencies
Revenue from local agencies
Revenue from services
Revenue from licenses and permits
Miscellaneous revenue
Revenue from operations of Enterprise and Internal Service Funds
Revenue from operation of Trust and Agency, Retirement, and Bond Funds

Revenue is further classified within each source classification as to whether it is available to further the general purposes of the fund to which it is credited (general purpose revenue) or whether it is by law restricted to finance some specific activity or group of related activities (restricted revenue). Grants from federal governmental agencies usually fall within this latter classification. Such grants are given to the State in furtherance of some specific activity, such as old age assistance, aid to dependent children, etc., and may not be expended for any other purpose.

Operating Transfers

Transfers are transactions taking place between State funds, and are classified separately from fund revenues and expenditures (expenses).

Appropriations

These are constitutional or legislative authorizations to make expenditures and incur obligations for designated purposes. An appropriation is not a mandate to spend.

Appropriations for operating costs are generally limited as to amount and time during which they are available. Under such an appropriation, State departments may spend or encumber only as much of the authorized amount as is necessary for efficient operations. Unless financed by restricted revenue, any part of an appropriation which is not expended or encumbered lapses at the end of the fiscal period or reverts to the fund from which it was appropriated. Restricted revenue does not lapse, but is reserved for the purpose intended by law.

Other appropriations are made to finance specific projects, rather than for a specified period of time. Appropriations for buildings, additions thereto, or for major improvements generally fall within this category as do other one-time nonrecurring projects. The unexpended balance of such an appropriation is carried forward from year to year until the project has been accomplished. The remaining authorization balance then reverts to the fund from which it was originally appropriated.

Highway and bridge construction projects are an exception to the normal appropriation process in that authorization is not by specific legislative appropriation. After approval by the State Administrative Board, they are financed from annual legislative appropriations of the funds constitutionally designated for highway purposes.

Expenditures and Expenses

Expenditures occur in governmental type funds and are charges for materials, salaries and wages, services, grants, benefits, debt service, and capital outlay incurred during a designated fiscal accounting period which will affect the fund balance resulting from operations of that period. In contrast, expenses which occur in proprietary type funds are those charges that are reflected in the fiscal accounting period which receives the benefit.

Expenditures are classified by function and according to their major characteristics which are as follows:

- Current Operations
- Capital Outlay
- Debt Service

Encumbrances

Encumbrances are purchase orders and contracts or pledges which are chargeable to an appropriation and for which a part of the appropriation is set aside. Unliquidated encumbrances entered into before September 16 are recorded as a reserved fund balance. Encumbrances entered into after September 15 and not liquidated prior to October 1 must, by statute, be charged against appropriations of the succeeding fiscal period.

ANNUAL LEAVE ACCUMULATIONS

At September 30, 1979, annual leave balances accumulated by classified Civil Service employees receiving regular salary payments from all funds had a dollar value, including employer's retirement charge, of $66.3 million. In accordance with rules promulgated by the Civil Service Commission, cash payment is made to an employee who separates from the classified service. The amount of this payment is based on the current pay rate and the current amount of accumulated annual leave (to a maximum allowable accumulation of 30 days). It is present policy to fund these payments on a "pay as you go" basis.

SICK LEAVE ACCUMULATIONS

In accordance with Civil Service Commission rules, cash payments for accumulated sick leave balances are made to retiring employees or to the beneficiary or estate of an employee at death. In both instances, the payment is based on 50% of the employee's sick leave accumulation, times the pay rate in effect at time of retirement or death. Additionally, when separating from the State service for any reason other than retiremeet or death, employees are paid a percentage of their unused sick leave at their last rate of pay in accordance with a graduated rate table which increases from 0 to 50% depending upon the balance of their sick leave hours. At September 30, 1979, these leave balances had an estimated value of $86.9 million if paid upon separation, retirement or death at the percentages mentioned above. For appropriated funds, cash payments for sick leave at retirement or death are made from annual legislative appropriations for salaries and wages on a "pay as you go" basis. Sick leave accumulations may also be used by an employee for a personal illness or injury (or other purpose prescribed in the Civil Service rules) as a means of continuing their regular pay during the illness or injury.

LONGEVITY PAYMENTS

At September 30, 1979, eligible employees receiving regular salary payments from all funds had earned longevity payments which were paid on November 30, 1979. These payments had a dollar value, including employer's retirement charge, of $11.6 million. This payment will be recorded as an expenditure in the 1979-80 fiscal year. Eligibility for the longevity payment is set forth in rules promulgated by the Civil Service Commission.

SECURITY INVESTMENT VALUATION

The following table lists the cost and market value (in millions) of investments held by the listed fund or fund group at September 30, 1979:

FUND	COST	MARKET VALUE
State Lottery Fund	$ 50.0	$ 44.1
Legislative Retirement Fund	14.5	13.0
State Police Pension, Accident, and Disability Fund	66.3	61.2
State Employees' Retirement Fund	814.9	753.0
Public School Employees' Chapter I Retirement Fund	2,539.6	2,330.7
Public School Employees' Chapter II Retirement Fund	385.8	333.4
Probate Judges' Retirement Fund	4.8	4.3
Judges' Retirement Fund	20.9	18.9
Detroit Expressway Construction Fund	11.0	11.1
Expressways Bond and Interest Redemption Fund	20.4	20.7
State Park Revenue Bond Fund	4.3	4.2
Other Trust Funds	529.0	515.3

Fixed income investments are purchased with the intent that they be held until maturity. As a result, the market value is indicative of the current economic situation and not of the long term investment outlook. In addition, it should be noted that the prime interest rate, which has a direct effect on the market value of fixed income investments, has increased substantially since fiscal year end.

FUNDING OF RETIREMENT BENEFITS

The table below provides information as to the actuarially determined value of vested benefits and the fund assets of a portion of the retirement funds. The last column provides the actuarially determined employer dollar contribution deficiency for fiscal year 1978-79 in accordance with Accounting Principles Board Opinion #8 which specifies that unfunded prior service costs, including interest, are to be amortized over a maximum period of 40 years. The unfunded prior service costs of the State Police Pension, Accident, and Disability Fund, the State Employees' Retirement Fund, the Public

FUNDING OF RETIREMENT BENEFITS (Continued)

School Employees' Chapter I Retirement Fund, and the Public School Employees' Chapter II Retirement Fund are not being amortized. The General Fund portion of the APB #8 deficiencies is $72.4 millions. Had these retirement funds been funded in accordance with APB #8, the General Fund fund balances would have been reduced by that amount. All figures are in millions.

Fund	Date of Latest Actuarial Information	Vested Benefits	Fund Assets	1978-79 APB #8 Deficiency
Legislative Retirement Fund	9/30/78	$ 17.8	$ 19.1	$ -
State Police Pension, Accident, and Disability Fund	9/30/77	148.5	77.8	11.0
State Employees' Retirement Fund	9/30/78	1,031.7	902.5	34.1
Public School Employees' Chapter I Retirement Fund	9/30/78	3,546.6	3,061.5	32.8
Public School Employees' Chapter II Retirement Fund	9/30/78	704.1	432.7	-

As of September 30, 1978, the latest date for which such information is available, the actuarially determined value of vested benefits in the Probate Judges' Retirement Fund is $9.8 million. The fund assets are $6.3 million. As of September 30, 1978, the latest date for which such information is available, the actuarially determined value of vested benefits in the Judges' Retirement Fund is $40.5 million. The fund assets are $25.8 million. The unfunded prior service costs of both funds are amortized over a period of 25 years.

WORKERS' COMPENSATION PREMIUMS

Public Act 388 of 1913 provides for workers' compensation insurance coverage for State employees. The State is billed by the State Accident Fund for actual benefits paid plus an administrative expense surcharge of 17% of benefit payments. These billings are paid from annual appropriations. Premiums billed for fiscal year 1978-79 covering State employees amounted to $10.5 million. Anticipated future liability on outstanding claims for State employees as of September 30, 1979, as estimated by the State Accident Fund, was $30.7 million, which is not recorded in the accompanying financial statements. The amount applicable to the General Fund has not been determined. This represents estimated future compensation, based upon claimant's income and projected length of disability; and anticipated medical and hospital expenses at current rates.

INTER-FUND TRANSFERS

Public Act 119 of 1976 authorized a transfer of $48.1 million from the Michigan Veterans' Benefit (Trust) Fund to the General Fund during the fiscal period ended September 30, 1976. The act provides for reimbursement from the General Fund beginning with the fiscal year ending September 30, 1980 through the fiscal year ending September 30, 1992. The transfer from the Michigan Veterans' Benefit (Trust) Fund is not stated as a liability of the General Fund because the referenced acts stipulate that said transfer be recorded as revenue to the General Fund. Each year an amount representing lost investment earnings is transferred from the General Fund to the Veterans' Benefit (Trust) Fund.

UNEARNED CONTRACTS

The balances of contracts not earned by construction contractors and design and engineering firms at September 30, 1979, are shown in the following table:

Fund	Amount (In Thousands)
State Aeronautics Fund	$ 8,929
State Trunkline Fund	172,152
Detroit Expressway Construction Fund	603
Other Trust Funds	43,258

VALUE OF EXCESS PROPERTY

The value of excess property at September 30, 1979 is shown in the following table. Proceeds from the sale of such property will be credited to revenue when received.

Fund	Amount (In Thousands)
State Trunkline Fund	$7,405
Detroit Expressway Construction Fund	266
Other Trust Funds	29

CLAIMS AGAINST THE STATE

The State of Michigan is involved in numerous legal cases. The State's Attorney General Department has concluded that the outcome of these numerous cases cannot be determined with reasonable accuracy nor can the amount of potential liability be reasonably determined.

STATE TREASURER'S COMMON CASH

The Treasurer manages the cash resources of the State so that the excess over current requirements is invested to earn income. Cash is placed in banks on both demand and time deposits and investments are made in short term U.S. Government securities and prime commercial paper. Income is allocated to the various funds according to statute.

Assets of the Common Cash pool are not segregated by fund. Instead, the receipts of each fund are credited to that fund's equity in the pool. Disbursements are recorded by booking a debit to equity of the appropriate State fund.

The amount designated as imprest cash represents the aggregate of cash advanced to departments and agencies as approved by the State Administrative Board. Such advances are not charged against appropriation accounts, but remain at the agencies' disposal for certain disbursements. The following schedule of assets and equities (in thousands) is a summary of the State Treasurer's Common Cash as of September 30, 1979:

ASSETS	
Cash on hand	$ 82
Cash in banks -- demand deposits	32,401
Cash in banks -- time deposits	171,510
Short term investments -- at cost	1,312,860
	$1,516,866
EQUITIES	
Equities of other funds ($1,587,881 net of liability to State Treasurer's Common Cash of $80,486)	$1,507,494
Agency and department imprest cash accounts	9,472
	$1,516,866

The market value of short term securities at September 30, 1979 was:

U.S. Government short term securities	$ 25,010
Prime commercial paper	1,299,245

ADJUSTMENT TO BEGINNING GENERAL FUND BALANCE

The 1977-78 reported expenditures for the Crippled Children Program were based upon billings received between October 1, 1977 and September 30, 1978. Expenditures during 1978-79 were recorded as expenditures when services were provided.

This change in accounting principle does bring about conformance with generally accepted accounting principles but is inconsistent with the manner in which such expenditures were recorded in the previous fiscal years.

This change resulted in an adjustment decrease to the 1978-79 beginning General Fund fund balance of $2.9 million for 1977-78 related accruals, and a decrease in General Fund recorded expenditures (net of revenues) of $522 thousand for 1978-79; a net decrease in the General Fund fund balance of $2.3 million for 1978-79.

CAPITAL OUTLAY CONTRACTS OUTSTANDING

An undetermined amount of payables for capital outlay inplace has not been recorded due to the recording of expenditures for these purposes on a cash rather than an accrual basis.

At September 30, 1979, there were outstanding contracts in excess of capital outlay appropriations in the amount of $49.8 million. Future appropriations will be necessary to complete these projects.

MILITARY RETIREMENT BENEFITS

Article IX of the State's 1963 Constitution requires annual funding for State employees' current service costs of retirement benefits accrued. National Guard retirement benefits have been paid pursuant to legislative appropriations on a "pay as you go" basis at approximately $669 thousand annually. According to an actuarial study dated May 25, 1979, the unfunded liability for military retirement amounted to approximately $12.5 million at December 31, 1978.

FUNDING OF STATE CAMPAIGN FUND

No legislative appropriation was made to transfer $2.8 million collected on 1978 individual income tax returns to the State Campaign Fund. This amount is a portion of the fund balance reserved for unencumbered restricted revenue in the General Fund, and accounts for the fact that the State Campaign Fund has no fiscal year end fund balance.

LOAN TO COMPREHENSIVE TRANSPORTATION FUND

Section 35 of Public Act 253 of 1975, provided for a transfer of funds not to exceed $30 million from the State Trunkline Fund to the Comprehensive Transportation Fund. The sum so transferred, is to be repaid to the State Trunkline Fund together with interest at 3% per annum. At September 30, 1979, transfers in accordance with P.A. 253 of 1975, amounted to $19.8 million and interest amounted to $1.2 million.

Subsequent to the fiscal year end, the Department of Transportation repaid the State Trunkline Fund for all transfers and interest related to P.A. 253 of 1975, from a portion of the proceeds of a bond issue in the Comprehensive Transportation Bond Construction Fund.

SCHOOL AID FUND DEFICIT

In 1976 the United States Supreme Court upheld a directive that the Detroit Board of Education institute various comprehensive programs. The cost is to be defrayed equally, each year, between the Detroit Board of Education and the State.

P.A. 90 of 1977, as amended, provided for a transfer from the General Fund to the School Aid Fund, of the amount necessary to finance specific state aid. Since there was no provision for the above referenced court ordered payment, the School Aid Fund has a $5.8 million deficit fund balance for 1978-79.

CLAIMS AGAINST UNINSURED MOTORISTS

As of September 30, 1979, claims filed against the Motor Vehicle Accident Claims Fund, but as yet unsettled, amounted to $5.0 million. Because many of these claims will be settled for an amount less than claimed and others will be resolved without cost to the fund, the State's actual liability with respect to these claims cannot be determined.

Claims which have been settled unreimbursed by uninsured motorists found at fault amounted to $37.8 million. Because of the poor history of recoveries of such settlements, this amount has not been reflected in the financial statements by the recognition of revenue and the corresponding amount receivable.

TRANSFER TO SPECIAL ASSESSMENT DEFERMENT FUND

P.A. 225 of 1976 authorized a transfer of $3.0 million to the Special Assessment Deferment Fund from the Veterans' Benefit (Trust) Fund. Repayments of loans in the Special Assessment Deferment Fund are to be returned to the Veterans' Benefit (Trust) Fund. As of September 30, 1979, repayments of $138 thousand have been returned to the Veterans' Benefit (Trust) Fund.

LIQUOR PURCHASE REVOLVING FUND FIXED ASSETS

As of October 1, 1978, the cost of buildings and equipment under the control of the Liquor Purchase Revolving Fund, aggregating $7.0 million, was recorded in the financial statements. In addition, an allowance for depreciation of $2.2 million was provided for depreciable assets based upon their estimated useful lives. The effect of these transactions, for fiscal years ending prior to September 30, 1979, increased retained earnings by $4.8 million. This treatment placed the fund's financial operations more nearly on a commercial basis and is in conformance with the principles of the National Council on Governmental Accounting.

OUTSTANDING LOANS TO SCHOOL DISTRICTS

Because there are no specific requirements for repayment, the School Loan Bond Redemption Fund does not include $93.5 million of loans made by the State to local school districts and $22.0 million of interest due on these loans. In accordance with Public Act 66 of the Second Extra Session of 1963, repayments from school districts are to be used first to pay interest due and redeem bonds that mature within twelve months from the repayment date. Repayments in excess of these requirements will be available for additional loans to school districts through the School Bond Loan Fund.

UNRECORDED EQUITIES

Not included in the statements, for the Michigan Higher Education Assistance Authority Fund, are $3.1 million of certificates of deposits, held by banks in the name of the Authority, which are not under the State Treasurer's Custody.

LONG TERM LIABILITIES

General obligation bonds - Article 7, Section 15 of the 1947 State Constitution authorizes the term Directors, subject to approval by a majority of the electorate voting thereon at a general election.

Additional debt may be incurred, without vote approval, for the purpose of providing loans to school districts. Loan repayments are the primary funding source for debt service requirements.

Issuance of general obligation debt is subject to legislative action, and the approval of voters by the full faith and credit of the State. General fund appropriations finance debt principal and interest requirements for all general obligation bonds except School Loan Bonds. Debt service requirements for all general obligation bonds are provided

Revenue anticipation debt - Long term commitments have been made principally for capital outlay, with the anticipation that repayments of debt requirements are to come principally from designated revenue sources. The State's general credit does not secure such issues.

General Obligation and Revenue Anticipation Bonds issued and outstanding at September 30, 1979 consisted of the following:

	AMOUNT ISSUED	AMOUNT OUTSTANDING	MATURITIES FIRST	MATURITIES LAST	INTEREST RATE PERCENTAGES
General Obligation Bonds:					
[illegible]					
Revenue Anticipation Bonds:					
[illegible]					
Total					

FINANCIAL SECTION

STATE OF MICHIGAN

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS - BY CLASSIFICATION

SEPTEMBER 30, 1979

(In Thousands)

	TRANSPORTATION RELATED	CONSERVATION AND RECREATION RELATED
ASSETS		
Cash (in transit and imprest funds)	$ 21	$ [illegible]
Equity in State Treasurer's Common Cash Fund	339,033	36,442
Taxes, interest, and penalties receivable	6,861	-
Less allowance for uncollectible taxes	(4,166)	-
Less revenue expected to be received more than 12 months after fiscal year end	(79)	-
Amounts due from other funds	18,781	828
Amounts receivable from federal governmental agencies	54,315	470
Amounts receivable from local units of government	14,249	68
Amounts receivable from private carriers	4,067	-
Inventories	7,764	-
Security investments--equities at cost, all others at face value less collections on principal	-	-
Security investments--unamortized premium or discount	-	-
Land contracts outstanding	4,214	-
Other assets	1,468	[illegible]
Total Assets	$ 446,532	$ 39,196
LIABILITIES AND FUND BALANCES		
Liabilities:		
Liability to State Treasurer's Common Cash Fund	$ -	$ -
Warrants outstanding	10,726	54
Accounts payable	100,390	76
Amounts due to other funds	10,178	-
Amounts withheld from contractors	12,088	-
Amounts due to other governmental agencies	70	-
Prize awards payable	-	-
Deferred revenue	9,416	-
Other liabilities	523	1
Total Liabilities	143,394	132
Fund Balances:		
Reserved for encumbrances	3,350	3,208
Other reserves:		
Reserved for unencumbered restricted revenue balances (except capital outlay)	96,591	1,193
Reserved for unencumbered capital outlay and work projects	199,645	9,315
Reserved for airport revolving loans	573	-
Reserved for prize awards	-	-
Total Other Reserves	296,809	9,508
Unreserved	2,977	26,348
Total Fund Balances	303,137	39,064
Total Liabilities and Fund Balances	$ 446,532	$ 39,196

OTHER	TOTALS SEPTEMBER 30, 1979	SEPTEMBER 30, 1978
$ 1,137	$ 1,754	$ 2,172
253,259	628,736	480,775
82,864	89,726	101,389
(9,722)	(13,889)	(8,307)
(1,966)	(2,045)	(18,731)
6,371	25,980	23,351
13,098	67,884	4 ,335
554	14,875	5,926
-	4,067	-
-	7,764	7,420
50,234	50,234	57,154
(109)	(109)	(1143)
-	4,314	2,452
4,140	6,359	13,660
$ 399,862	$ 885,592	$ 679,453
$ 80,486	$ 80,486	$ 75,838
1,696	12,477	10,083
4,647	105,114	93,457
9	10,188	15,846
-	12,088	11,112
-	70	-
52,542	52,542	56,228
2,721	12,138	5,365
396	920	118
142,500	286,027	268,051
1,047	7,605	5,619
7,010	104,795	53,127
37	207,998	206,491
-	573	557
2,357	2,357	3,307
9,405	315,724	263,483
246,909	276,234	142,299
257,362	599,564	411,402
$ 399,862	$ 885,592	$ 679,453

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS — BY CLASSIFICATION

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

	TRANSPORTATION RELATED	CONSERVATION & RECREATION RELATED
REVENUES		
Taxes	$ 756,087	$ 139
From federal agencies	165,758	164
From local agencies	5,328	-
From services	716	-
From licenses and permits	11,095	100,181
Miscellaneous	92,147	20,267
Total Revenues	1,031,131	120,751
EXPENDITURES		
Current:		
General government	-	-
Judiciary	-	-
Regulatory	-	-
Transportation	685,000	-
Capital outlay	287,740	71,471
Total Expenditures	972,740	71,471
Excess of Revenues over (under) Expenditures	58,391	49,280
OTHER FINANCING SOURCES (USES)		
Operating transfers in	108,000	30,000
Operating transfers out	(79,165)	(34,421)
Total Other Financing Sources (Uses)	28,835	(4,421)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	87,226	44,859
Fund Balances (including reserves) - October 1	346,591	49,585
Fund Balances (including reserves) - September 30	$ 433,817	$ 94,444

STATE OF MICHIGAN

DESCRIPTIONS OF DEBT SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

WATER POLLUTION CONTROL BOND AND INTEREST REDEMPTION FUND

Public Act 329 of 1966 established this fund to account for retiring bond issues of the Water Pollution and State Sewer Construction Bond Funds. The General Fund appropriates monies to meet the bond maturity and interest requirements and paying agent fees.

PUBLIC RECREATION BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to Public Act 108 of 1969 and services bond issues of the Public Recreation Bond Fund. Financing of debt retirement, interest expense, and paying agent fees is provided by annual legislative appropriation from the General Fund.

VIETNAM VETERAN ERA BONUS BOND REDEMPTION FUND

Created by Public Act 370 of 1974, the purpose of this fund is to account for the debt service of general obligation bonds which were issued to finance bonuses paid to veterans or their beneficiaries. Financing is provided by the General Fund through an annual appropriation.

TRUNKLINE HIGHWAY BOND AND INTEREST REDEMPTION FUND -- SERIES I

This fund was established under authority of Public Act 51 of 1951. In 1958 Administrative Board approval was granted to issue $100 million of serial bonds. Proceeds of the sale financed various trunkline construction projects as specified in the bond contract. Financing of debt service requirements is provided by an annual appropriation in the State Trunkline Fund.

MICHIGAN TRUNKLINE BOND AND INTEREST REDEMPTION FUND -- SERIES II THRU IX

Public Act 51 of 1951 created the authority to establish this fund. The various series were issued in varying amounts during the period from July, 1959 to July, 1962. An administrative decision was made to place these several issues in a fund separate from the Series I bond issue. Financing of debt service requirements is provided by an annual appropriation in the State Trunkline Fund.

SCHOOL LOAN BOND REDEMPTION FUND

P.A. 74 of 1955 established this fund. Monies in this fund are utilized for payment of interest and redemption of bonds issued to provide financing for loans to school districts. Funding is furnished by an annual appropriation from the General Fund and/or repayments of loans by school districts.

HIGHWAY CONSTRUCTION BOND AND INTEREST REDEMPTION FUND

This fund was established under authority of Public Act 87 of 1955. The Series I and Series II thru IX funds and this fund are administered by the State Treasurer. He also appoints paying agents for these funds, through whom payments are made to bond holders. Financing of debt service requirements is provided by an annual appropriation in the State Trunkline Fund.

EXPRESSWAY BOND AND INTEREST REDEMPTION FUND

The State Treasurer is Fiscal Agent to the Department of Transportation and certain local units of government for funds constructing expressways and for servicing bonds issued for that purpose. In summary form, this fund presents the position of several expressway serial bond issues. Resources to finance the requirements for bond interest and redemption are provided by periodic payments from participating parties and earnings on investments.

STATE PARK REVENUE BOND FUND

This fund was created pursuant to Public Act 149 of 1960 which initiated a State park improvement program by authorizing the Department of Natural Resources to issue up to $10 million of revenue bonds to finance land acquisition, construction, and improvement of State parks. Public Act 286 of 1967 increased the authorized amount of such revenue bonds to $20 million.

Public Act 149 of 1960 also provides that park permit fees for motor vehicle entry into certain State parks be deposited with the State Treasurer who is designated as fiscal agent. Such proceeds are to be allocated in the following order of priority: debt service requirements, fiscal agent expenses, bond reserve and bond call, and park improvements as appropriated by the Legislature.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

DEBT SERVICE FUNDS

SEPTEMBER 30, 1979

(In Thousands)

	SCHOOL LOAN BOND REDEMPTION FUND	EXPRESSWAY BOND AND INTEREST REDEMPTION FUND	STATE PARK REVENUE BOND FUND	TOTALS SEPTEMBER 30, 1979	TOTALS SEPTEMBER 30, 1978
ASSETS					
Equity in State Treasurer's Common Cash Fund	$ 3,385	$ -	$ -	$ 3,385	$ 4,447
Cash with fiscal agent	-	86	295	382	668
Security investments -- equities at cost, all others at face value less collections on principal	-	21,430	4,394	25,824	27,420
Security investments-unamortized premium or discount	-	(979)	(134)	(1,114)	(577)
Other assets	-	-	13	13	-
Total Assets	$ 3,385	$ 20,537	$ 4,567	$ 28,489	$ 31,959
LIABILITIES AND FUND BALANCE					
Liabilities	$ -	$ -	$ -	$ -	$ -
Fund Balance: Unreserved	3,385	20,536	4,567	28,489	31,958
Total Fund Balance	3,385	20,536	4,567	28,489	31,958
Total Liabilities and Fund Balance	$ 3,385	$ 20,537	$ 4,567	$ 28,489	$ 31,959

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

DEBT SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

	WATER POLLUTION CONTROL FUND	PUBLIC RECREATION FUND	VIETNAM VETERAN ERA BONUS FUND	TRUNKLINE HIGHWAY SERIES I FUND
REVENUES				
From local agencies	$ -	$ -	$ -	$ -
From licenses and permits	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Conservation and recreation	-	-	-	-
Transportation	-	-	-	-
Debt Service:				
Principal retirement	20,000	10,000	5,000	5,250
Interest and fiscal charges	9,223	2,931	9,566	649
Total Expenditures	29,223	12,931	14,566	5,899
Excess of Revenues over (under) Expenditures	(29,223)	(12,931)	(14,566)	(5,899)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	29,223	12,931	14,566	5,899
Operating transfers out	-	-	-	-
Total Other Financing Sources (Uses)	29,223	12,931	14,566	5,899
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	-	-	-
Fund Balances (including reserves) - October 1	-0-	-0-	-0-	-0-
Fund Balances (including reserves) - September 30	$ -0-	$ -0-	$ -0-	$ -0-

MICHIGAN TRUNKLINE SERIES II THRU IX FUND	SCHOOL LOAN BOND REDEMPTION FUND	HIGHWAY CONSTRUCTION FUND	EXPRESSWAY BOND AND INTEREST REDEMPTION FUND	STATE PARK REVENUE BOND FUND	TOTALS FISCAL YEAR ENDED SEPTEMBER 30, 1979	TOTALS FISCAL YEAR ENDED SEPTEMBER 30, 1978
$ -	$ 5,661	$ -	$ 1,957	$ -	$ 7,618	$ 8,267
-	-	-	-	3,858	3,858	2,916
-	-	-	1,584	538	2,122	1,772
-	5,661	-	3,542	4,396	13,600	12,956
-	-	-	-	1	1	1
-	-	-	321	-	321	853
11,985	10,000	1,515	6,880	550	71,180	66,925
4,034	3,560	23	1,619	880	32,489	34,789
16,019	13,560	1,538	8,820	1,432	103,991	102,569
(16,019)	(7,899)	(1,538)	(5,278)	2,964	(90,391)	(89,613)
16,019	6,837	1,538	5,637	-	92,662	91,279
-	-	-	(611)	(5,118)	(5,729)	(2,469)
16,019	6,837	1,538	5,025	(5,118)	86,922	89,310
-	(1,062)	-	(253)	(2,153)	(3,468)	(302)
-0-	4,447	-0-	20,789	6,721	31,958	32,260
-0-	$ 3,385	$ -0-	$ 20,536	$ 4,567	$ 28,489	$ 31,958

STATE OF MICHIGAN

DESCRIPTIONS OF BOND FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

WATER POLLUTION CONTROL BOND FUND

This fund was established by Public Act 329 of 1966 to account for the proceeds of $285.0 million of full faith and credit bonds approved by the people in November, 1968, for the prevention and abatement of water pollution. This approval was obtained under the general authority of Section 15, Article IX, of the 1963 Constitution and Public Act 76 of 1968.

The proceeds of these bonds are used to assist local units of government in financing construction of facilities for treatment of sewage and other liquid wastes.

STATE SEWER CONSTRUCTION FUND

This fund was established by P.A. 159 of 1969 to account for the proceeds of $50.0 million of full faith and credit bonds approved by the people in November, 1968, for the prevention and abatement of water pollution.

Expenditures are made from this fund for grants awarded between 1969 and 1972 to local units of government for construction of collecting sewers to prevent the discharge of untreated or inadequately treated sewage or other liquid wastes that enter the waters of the State.

PUBLIC RECREATION BOND FUND

This fund was established by Public Act 108 of 1969 to account for the proceeds of $100.0 million full faith and credit public recreation bonds approved by the people in November, 1968. This approval was pursuant to Section 15, Article IX, of the 1963 Constitution and P.A. 257 of 1968.

Public Act 108 of 1969 also allocated $30.0 million for grants to local units for local community recreational projects and the balance of $70.0 million to the Department of Natural Resources to fund the State's recreation program.

VIETNAM VETERAN ERA BONUS FUND

This fund was established by P.A. 370 of 1974, as amended, to account for the proceeds of $205 million authorized full faith and credit bonds approved by the people in November, 1974, to provide a service bonus to veterans, or their beneficiaries, who served in the armed forces of the United States between January 1, 1961 and September 1, 1973. Applications for benefits under this act shall not be filed or received after June 30, 1980. Administrative expenses for processing all bonus payments are in the General Fund.

SCHOOL BOND LOAN FUND

The 1963 Constitution (Art. IX, Sec. 16) and P.A. 74 of 1955 authorized the issuance of State bonds to provide funds for making loans to school districts for the payment of principal and interest on school bonds under prescribed circumstances. The proceeds of State borrowing are credited to the School Bond Loan Fund and loans to school districts are made from the fund.

EXPRESSWAY CONSTRUCTION FUNDS

A separate Expressway Construction Fund has been established by the Fiscal Agent for each contract between the Department of Transportation and local units to account for transactions relating to the joint venture. The money of each fund is maintained in a segregated depository. Investments in securities are made separately in the name of each fund. Costs of the limited access highways constructed under these joint ventures have been financed by the proceeds from the sale of dedicated tax bonds, federal aid, and contributions from the participating parties. A total of $300.1 million of bonds have been issued under the ten Expressway Construction Funds which have been in existence. The two remaining funds have only relatively small fund balances and the projects will be completed by collection of federal aid and contributions by the participating parties.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

BOND FUNDS

SEPTEMBER 30, 1979

(In Thousands)

	1960 GRAND RAPIDS X-WAY CONSTRUCTION FUND	DETROIT X-WAY CONSTRUCTION FUND	WATER POLLUTION CONTROL FUND	STATE SEWER CONSTRUCTION FUND
ASSETS				
Cash (in transit and imprest funds)	$ -	$ -	$ -	$ -
Equity in State Treasurer's Common Cash Fund	-	-	49,730	1,962
Cash with fiscal agent	1	98	-	-
Amounts receivable from federal governmental agencies	-	1,318	593	-
Less allowance for federal aid advance	-	-	(146)	-
Security investments--equities at cost, all others at face value less collections on principal	-	11,350	-	-
Security investments--unamortized premium or discount	-	(367)	-	-
Land contracts outstanding	-	146	-	-
Total Assets	$ 1	$ 12,566	$ 50,151	$ 1,962
LIABILITIES AND FUND BALANCES				
Liabilities:				
Warrants outstanding	$ -	$ -	$ 15	$ -
Accounts payable	-	-	3,249	-
Amounts due to other funds	-	-	-	-
Amounts withheld from contractors	-	492	-	-
Deferred revenue	-	145	-	-
Other liabilities	-	14	-	-
Total Liabilities	-	653	3,264	-
Fund Balances:				
Reserved for encumbrances	-	-	51,440	411
Other Reserves:				
Reserved for obligated Federal aid advances to local units	-	-	38	-
Reserved for capital outlay	-	-	-	-
Total other reserves	-	-	38	-
Unreserved	1	11,912	(4,591)	1,550
Total Fund Balances	1	11,912	46,886	1,962
Total Liabilities and Fund Balances	$ 1	$ 12,566	$ 50,151	$ 1,962

PUBLIC RECREATION BOND FUND	VIETNAM VETERAN ERA BONUS FUND	SCHOOL BOND LOAN FUND	TOTALS SEPTEMBER 30, 1979	SEPTEMBER 30, 1978
$ -	$ -	$ -	$ -	$ 246
9,113	5,623	9,018	75,428	121,382
-	-	-	90	50
-	-	-	1,305	2,046
-	-	-	(146)	(312)
-	-	-	11,380	16,800
-	-	-	(367)	(1,154)
-	-	-	146	769
$ 9,113	$ 5,623	$ 9,018	$ 88,436	$ 134,228
$ 92	$ 92	$ -	$ 700	$ 987
1	525	-	3,776	582
-	-	-	-	109
-	-	-	492	670
-	-	-	145	169
-	-	-	15	425
94	618	-	4,611	2,945
4,095	-	-	55,947	69,596
-	-	-	38	49
4,787	-	-	4,787	5,881
4,787	-	-	4,825	5,930
137	5,004	9,018	23,032	55,754
9,019	5,004	9,018	83,805	131,282
$ 9,113	$ 5,623	$ 9,018	$ 88,436	$ 134,228

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

BOND FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

	1960 GRAND RAPIDS X-WAY CONSTRUCTION FUND	DETROIT X-WAY CONSTRUCTION FUND	WATER POLLUTION CONTROL FUND
REVENUES			
From federal agencies	$ -	$ 1,017	$ 481
Miscellaneous	1	1,133	160
Total Revenues	1	2,150	642
EXPENDITURES			
Current:			
General government	-	-	-
Public safety and corrections	-	-	-
Conservation and recreation	-	-	(60)
Transportation	2	-	-
Capital outlay	-	1,029	26,983
Total Expenditures	2	1,029	26,044
Excess of Revenues over (under) Expenditures	-	1,120	(25,402)
OTHER FINANCING SOURCES (USES)			
Proceeds of general obligation bonds	-	-	-
Operating transfers out	-	-	(458)
Total Other Financing Sources (Uses)	-	-	(458)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	1,120	(25,861)
Fund Balances (including reserves) - October 1	2	10,792	72,747
Fund Balances (including reserves) - September 30	$ 1	$ 11,912	$ 46,886

STATE SEWER CONSTRUCTION FUND	PUBLIC RECREATION BOND FUND	VIETNAM VETERAN ERA BONUS FUND	SCHOOL BOND LOAN FUND	TOTALS FISCAL YEAR ENDED SEPTEMBER 30, 1977	FISCAL YEAR ENDED SEPTEMBER 30, 1976
$	$	$	$	$	$

STATE OF MICHIGAN

DESCRIPTIONS OF ENTERPRISE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

LIQUOR PURCHASE REVOLVING FUND

The Liquor Purchase Revolving Fund was authorized by P.A. 259 of 1941. Under State monopoly, liquor is sold at retail or wholesale in State liquor stores and through specially designated distributors. The fund accounts for the sales of and the replenishing and transportation of the liquor stock into the various State liquor stores. Administrative, warehousing, and merchandising costs are appropriated in the General Fund with financing provided by a transfer from the Liquor Purchase Revolving Fund.

The free-cash balance of the fund, as defined by statute, is transferred to the General Fund at the end of each fiscal year.

MICHIGAN STATE FAIR REVOLVING FUND

This fund was created by Public Act 224 of 1962, which placed the fund under management of the Michigan State Fair Authority. P.A. 361 of 1978 abolished the Authority and transferred responsibility for the fair and the fund's management to the Department of Natural Resources.

The Department of Natural Resources has jurisdiction over the Michigan State Fair grounds in Detroit. Fund revenues are derived from the operation of the annual State Fair and other exhibits or events, leases, rentals or other charges for use of the buildings and grounds scheduled during the year.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

ENTERPRISE FUNDS

SEPTEMBER 30, 1979

(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	TOTALS SEPTEMBER 30, 1979	TOTALS SEPTEMBER 30, 1978
ASSETS				
Cash (in transit and imprest funds)	$ 2,232	$ 153	$ 2,385	$ 2,098
Equity in State Treasurer's Common Cash Fund	9,961	749	10,711	5,141
Amounts due from other funds	-	27	27	5
Inventories	60,083	-	60,083	66,311
Other assets	386	96	483	848
Land	-	6,901	6,901	6,901
Buildings and equipment	7,271	8,746	16,017	7,928
Allowance for depreciation	(2,423)	(5,418)	(7,842)	(5,362)
Total Assets	$ 77,512	$ 11,255	$ 88,768	$ 77,572
LIABILITIES AND FUND EQUITY				
Liabilities:				
Warrants outstanding	$ 177	$ 122	$ 299	$ 6,630
Accounts payable	72,465	564	73,030	36,127
Amounts due to other funds	-	-	-	4
Other liabilities	21	41	62	36
Total Liabilities	72,664	729	73,394	42,798
Fund Equity:				
Retained earnings and contributions	4,847	10,526	15,374	34,773
Total Fund Equity	4,847	10,526	15,374	34,773
Total Liabilities and Fund Equity	$ 77,512	$ 11,255	$ 88,768	$ 77,572

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS

ENTERPRISE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	TOTALS SEPTEMBER 30, 1979	TOTALS SEPTEMBER 30, 1978
OPERATING REVENUES	$ 385,435	$ 2,431	$ 387,866	$ 369,977
OPERATING EXPENSES:				
Salaries, wages, and fringe benefits	-	1,035	1,035	835
Contractual services, supplies, and materials	1,384	1,845	3,230	2,563
Depreciation	270	226	497	205
Purchases for resale	301,822	-	301,822	287,522
Capital outlay	-	-	-	1
Total Operating Expenses	303,478	3,108	306,586	291,129
Operating Income (Loss)	81,956	(676)	81,280	77,848
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	-	38	38	15
Specific tax on spirits	6,273	-	6,273	735
Premium reimbursement - horse race wagering	-	160	160	128
Credit for fixed assets purchased in General Fund from operating transfers out	267	-	267	-
Loss on sale of fixed assets	-	(3)	(3)	-
Total Nonoperating Revenues (Expenses)	6,540	191	6,732	879
Income Before Operating Transfers	88,497	(485)	88,012	78,727
OPERATING TRANSFERS:				
Operating transfers in	-	519	519	-
Operating transfers out	(113,001)	(18)	(113,020)	(68,814)
Total Operating Transfers In (Out)	(113,001)	504	(112,500)	(68,814)
Net Income (Loss)	(24,504)	19	(24,488)	9,913
Retained Earnings and Contributions - October 1	24,527	10,246	34,773	24,860
Capitalization of Fixed Assets	4,824	260	5,088	-
Retained Earnings and Contributions - September 30	$ 4,847	$ 10,526	$ 15,374	$ 34,773

STATE OF MICHIGAN

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

ENTERPRISE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	TOTALS SEPTEMBER 30, 1979	TOTALS SEPTEMBER 30, 1978
SOURCES OF FUNDS:				
Working capital:				
Net income (loss)	$ (24,507)	$ 19	$ (24,488)	$ 9,913
Items not requiring (providing) working capital:				
Depreciation	270	226	497	205
Loss (gain) on disposal of fixed assets	-	3	3	-
Contributed fixed assets included in operating transfers	-	(519)	(519)	-
Working Capital Provided	(24,236)	(269)	(24,506)	10,118
Increase in retained earnings due to capitalization of fixed assets	4,827	780	5,607	-
Total Sources of Funds	$ (19,408)	$ 510	$ (18,898)	$ 10,118
APPLICATION OF FUNDS:				
Acquisition of fixed assets	$ 290	$ 110	$ 401	$ 7
Capitalization of fixed assets	4,827	780	5,607	-
Net increase (decrease) in working capital	(24,527)	(380)	(24,907)	10,110
Total Application of Funds	$ (19,408)	$ 510	$ (18,898)	$ 10,118
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:				
Cash (in transit and imprest funds)	$ 586	$ (298)	$ 287	$ 119
Equity in State Treasurer's Common Cash Fund	5,584	(14)	5,570	480
Amounts due from other funds	-	22	22	5
Inventories	(227)	-	(227)	7,456
Other assets	(11)	46	34	63
Warrants outstanding	6,233	96	6,330	(604)
Accounts payable	(36,681)	(221)	(36,903)	2,520
Amounts due to other funds	-	4	4	1
Other liabilities	(10)	(15)	(26)	68
Net Increase (Decrease) in Working Capital	$ (24,527)	$ (380)	$ (24,907)	$ 10,110

STATE OF MICHIGAN

DESCRIPTIONS OF INTERNAL SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

CORRECTIONAL INDUSTRIES REVOLVING FUND

This fund was created by P.A. 210 of 1935 and continued by P.A. 15 of 1968 to account for the financial transactions of a manufacturing and processing industry employing inmates of the State's correctional institutions. Salaries, wages, and related fringe benefits of administrative and supervisory personnel are appropriated and expended in the General Fund. The sale of products produced by this enterprise is limited to institutions of the State or its political subdivisions and federal agencies.

By statute, any retained earnings and contributions in excess of inventory at the end of the fiscal year are transferred to the General Fund. Conversely, any deficiency is made up by the General Fund.

MOTOR TRANSPORT REVOLVING FUND

This fund was established by P.A. 260 of 1947 to provide automotive transportation for State agencies. Activities include purchase, replacement, and maintenance of automotive equipment. Vehicles are available to agencies on a permanently assigned basis or through the motor pool for short term usage. The Motor Transport Division vehicles are furnished to agencies at a rate sufficient to cover all costs of operation and maintenance. Agencies are charged by Motor Transport Division on a monthly basis.

OFFICE SERVICES REVOLVING FUND

Created by Public Act 262 of 1952, this fund provides services in the following four areas: reproduction, microfilm, mailing, and trained office personnel services. The cost of these services is charged to user departments and agencies. Resultant revenue is credited to the revolving fund and is used for administration and operation of the program, including purchase of necessary equipment.

PAPER AND STATIONERY REVOLVING FUND

Public Act 262 of 1952 established this fund. Monies in the fund are used for the purchase of paper, stationery, and office supplies required by departments and agencies in large quantities. Departments and agencies order necessary items from the revolving fund and are subsequently charged for the materials. Administrative costs are appropriated in the General Fund with financing provided by a transfer from the Paper and Stationery Revolving Fund.

By statute, any balance in excess of inventory at the end of the fiscal year is transferred to the General Fund. Conversely, any deficiency is made up by the General Fund.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

INTERNAL SERVICE FUNDS

SEPTEMBER 30, 1979

(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT REVOLVING FUND
ASSETS		
Cash (in transit and imprest funds)	$ 3	$ 22
Equity in State Treasurer's Common Cash Fund	404	785
Amounts receivable from local units of government	39	68
Inventories	4,698	97
Other assets	17	15
Buildings and equipment	6,599	17,120
Allowance for depreciation	(4,106)	(7,634)
Total Assets	$ 7,655	$ 10,476
LIABILITIES AND FUND EQUITY		
Liabilities:		
Liability to State Treasurer's Common Cash Fund	$ -	$ -
Warrants outstanding	77	131
Accounts payable	386	367
Amounts due to other funds	-	-
Other liabilities	-	5
Total Liabilities	464	504
Fund Equity:		
Retained earnings and contributions	7,190	9,972
Total Fund Equity	7,190	9,972
Total Liabilities and Fund Equity	$ 7,655	$ 10,476

OFFICE SERVICES REVOLVING FUND	PAPER AND STATIONERY REVOLVING FUND	TOTALS	
		SEPTEMBER 30, 1979	SEPTEMBER 30, 1978
$ 225	$ 4	$ 256	$ 325
505	307	2,002	1,219
5	41	154	56
424	1,057	6,277	7,040
14	-	47	164
2,043	-	25,763	23,004
(1,192)	-	(12,933)	(11,622)
$ 2,026	$ 1,411	$ 21,568	$ 20,187
$ -	$ -	$ -	$ 971
33	62	303	840
442	291	1,487	1,408
-	-	-	36
17	-	23	-
493	353	1,813	3,256
1,533	1,057	19,753	16,931
1,533	1,057	19,753	16,931
$ 2,026	$ 1,411	$ 21,568	$ 20,187

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS

INTERNAL SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT REVOLVING FUND
OPERATING REVENUES	$ 7,885	$ 11,508
OPERATING EXPENSES:		
Salaries, wages, and fringe benefits	-	1,395
Contractual service, supplies, and material	1,717	4,541
Depreciation	207	2,648
Purchases for resale	-	-
Purchases for manufacturing	4,323	-
Total Operating Expenses	6,248	8,585
Operating Income	1,637	2,923
NONOPERATING REVENUES (EXPENSES):		
Gain (or loss) on sale of fixed assets	2	(13)
Sale of surplus and salvage items	18	9
Total Nonoperating Revenues (Expenses)	21	(4)
Income Before Operating Transfers	1,658	2,918
OPERATING TRANSFERS:		
Operating transfers in	-	48
Operating transfers out	(2,211)	(171)
Total Operating Transfers in (Out)	(2,211)	(123)
Net Income (Loss)	(552)	2,794
Retained Earnings and Contributions - October 1	7,743	7,177
Retained Earnings and Contributions - September 30	$ 7,190	$ 9,972

OFFICE SERVICES REVOLVING FUND	PAPER AND STATIONERY REVOLVING FUND	TOTALS	
		SEPTEMBER 30, 1979	SEPTEMBER 30, 1978
$ 11,833	$ 4,761	$ 35,989	$ 32,017
4,410	-	5,806	5,262
736	43	7,039	6,347
479	-	3,335	2,608
5,710	4,001	9,712	8,692
-	-	4,323	4,734
11,337	4,045	30,216	27,644
496	715	5,772	4,372
(3)	-	(14)	10
7	-	34	36
3	-	20	47
499	715	5,792	4,420
-	42	90	281
(126)	(550)	(3,059)	(777)
(126)	(508)	(2,969)	(495)
373	207	2,822	3,924
1,159	850	16,931	13,006
$ 1,533	$ 1,057	$ 19,753	$ 16,931

STATE OF MICHIGAN

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

INTERNAL SERVICE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT REVOLVING FUND
SOURCES OF FUNDS:		
Working capital:		
Net income (loss)	$ (552)	$ 2,794
Items not requiring (providing) working capital:		
Depreciation	307	2,648
Loss (gain) on disposal of fixed assets	(2)	13
Sale of fixed assets	57	676
Working Capital Provided	(291)	5,135
Total Sources of Funds	$ (291)	$ 5,135
APPLICATION OF FUNDS:		
Acquisition of fixed assets	$ 751	$ 4,351
Net increase (decrease) in working capital	(1,042)	1,783
Total Application of Funds	$ (291)	$ 6,135
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:		
Cash (in transit and imprest funds)	$ 1	$ 19
Equity in State Treasurer's Common Cash Fund	(604)	1,634
Amounts due from other funds	-	(54)
Amounts receivable from local units of government	(16)	68
Inventories	(1,038)	9
Other assets	(4)	1
Warrants outstanding	375	84
Accounts payable	246	17
Amounts due other funds	-	-
Other liabilities	(1)	2
Net Increase (Decrease) in Working Capital	$ (1,042)	$ 1,783

OFFICE SERVICES REVOLVING FUND	PAPER AND STATIONERY REVOLVING FUND	TOTALS	
		SEPTEMBER 30, 1979	SEPTEMBER 30, 1978
$ 373	$ 207	$ 2,822	$ 3,924
479	-	3,335	2,608
3	-	14	(10)
4	-	740	751
861	207	6,912	7,272
$ 861	$ 207	$ 6,912	$ 7,272
$ 434	$ -	$ 5,537	$ 4,993
427	207	1,375	2,279
$ 861	$ 207	$ 6,912	$ 7,272
$ (91)	$ 1	$ (69)	$ 269
628	97	1,755	(375)
-	-	(54)	17
5	41	98	2
59	207	(762)	1,887
(9)	(49)	(62)	23
66	9	536	(486)
(243)	(99)	(79)	939
28	-	28	(5)
(17)	-	(16)	6
$ 427	$ 207	$ 1,375	$ 2,279

STATE OF MICHIGAN

DESCRIPTIONS OF TRUST FUNDS - OTHER, AND AGENCY FUND

FISCAL YEAR ENDED SEPTEMBER 30, 1979

TRUST FUNDS - OTHER

This group includes the State Office Building Bond Redemption Fund; Hospital Patients' Benefit Fund; Special Federal Bridge Replacement Fund; Metropolitan Planning Funds; Michigan State Accident Fund; State Employees' Health Maintenance Fund; Children's Institute Trust Fund; Escheats Funds; Federal County Road Fund; Gifts, Bequests, and Deposits Investment Fund; Silicosis and Dust Disease Fund; Federal Urban Transportation System Fund; Agricultural College Fund-Morrill Act; Michigan Higher Education Assistance Authority Fund; Second Injury Fund; Municipal Employees' Retirement Fund; Highway Topics and Safety Program Fund; Hospital Patients' Trust Fund; Federal Housing Administration Mortgages Escrow Fund; Contribution Fund (Social Security); Self-Insurers' Security Fund; State Employees' Deferred Compensation Fund; Brown-McNeely Insurance Fund; Economic Development Trust Funds; Airport Authorities Facilities Improvement Trust Fund; School Emergency Loan Revolving Fund; Special Assessment Deferment Fund; and Toxic Substance Loan Revolving Fund.

The trust funds listed above are not required to individual statements in this annual report, but are shown in a single statement column which may be found in the statement entitled "Combined Balance Sheet - Trust and Agency Funds - By Classification," in the column headed "Other Trust Funds." It is also reported on the statement entitled "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances," in the column entitled "Expendable Trust Funds."

RECEIPTS CLEARING FUND

This fund is used by several State departments as a depositary for various receipts, the classification as to type of revenue being unknown at the time of deposit. Subsequent to the deposit of monies in this fund, the participating departments initiate a determination procedure to clear the fund of deposits made and to credit the proper funds and accounts for revenues received.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

TRUST AND AGENCY FUNDS-BY CLASSIFICATION

SEPTEMBER 30, 1979

(In Thousands)

	RETIREMENT RELATED TRUST FUNDS	OTHER TRUST FUNDS
ASSETS		
Cash (in transit and imprest funds)	$ 336	$ 2,537
Equity in State Treasurer's Common Cash Fund	439,801	142,865
Amounts due from other funds	15,866	37,062
Amounts receivable from federal governmental agencies	-	18,428
Amounts receivable from local units of government	21,870	9,747
Amounts receivable from individuals	-	6,874
Security investments--equities at cost, all others at face value less collections on principal	3,973,900	533,285
Security investments-unamortized premium or discounts	(98,490)	(14,722)
Other assets	62,418	16,165
Total Assets	$ 4,615,702	$ 762,245
LIABILITIES AND FUND BALANCES		
Liabilities:		
Warrants outstanding	$ 10,985	$ 2,886
Accounts payable	127	1,885
Amounts due to other funds	32,436	2,421
Amounts withheld from contractors	-	3,063
Amounts due to other governmental agencies	-	3,518
Payroll taxes payable from Contribution Fund	-	73,374
Deferred revenue	-	3,109
Other liabilities	4,551	1,255
Total Liabilities	47,704	91,515
Fund Balances:		
Reserved for retirement system	4,567,998	-
Other reserves:		
Reserved for distribution to other State funds	-	-
Total other reserves	-	-
Unreserved	-	670,730
Total Fund Balances	4,567,998	670,730
Total Liabilities and Fund Balances	$ 4,615,702	$ 762,245

AGENCY FUND	TOTALS	
	SEPTEMBER 30, 1979	SEPTEMBER 30, 1978
$ 1,581	$ 4,456	$ 7,928
1,347	784,014	668,865
-	32,928	16,284
-	18,428	11,946
-	41,618	29,738
-	6,834	1,083
-	3,563,186	4,018,917
-	(143,212)	(78,026)
255	28,738	64,410
$ 3,185	$ 5,381,133	$ 4,867,188
$ 238	$ 14,110	$ 16,784
2,689	4,703	5,468
-	14,460	3,022
-	1,063	2,377
-	3,518	3,950
-	11,374	48,551
-	3,109	-
-	5,807	2,910
2,928	64,145	83,062
-	3,417,988	3,825,760
329	329	195
256	256	195
-	470,730	537,552
256	3,239,988	4,363,492
$ 3,185	$ 5,381,133	$ 4,867,188

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED

FISCAL YEAR ENDED SEPTEMBER 30, 1979

STATE AERONAUTICS FUND

This fund, established by P.A. 327 of 1945, is a special revenue fund administered by the Department of Transportation for construction and improvement of airports. Its budget is subject to annual legislative review and appropriation. Financing consists mostly of Federal and local contributions and a transfer from the Comprehensive Transportation Fund. Expenditures and transfers are for administration, capital improvement, and local airport improvement project costs.

STATE TRUNKLINE FUND

This fund is administered by the Department of Transportation for construction and maintenance of highways. Its budget is subject to annual legislative review and appropriation. Financing consists primarily of a transfer from the State Transportation Department Fund, federal aid, and local participation. Expenditures and transfers are for administration, highway maintenance and construction, debt service, and various contractual obligations.

Under an arrangement with the Federal Highway Administration, the department has, over a period of years, qualified a number of construction projects financed from bond issues without placing them under a reimbursement agreement. These deferred federal aid projects may be converted to current reimbursement at the option of the department, to the extent of bond retirement, provided that there are adequate federal aid allocations. This arrangement was worked out between the states and the federal government so that the states could obtain federal reimbursement not received during the construction period, in case a relatively greater amount of federal aid became available at some later date. Presently, the conversion of deferred projects would replace programming of current construction projects. The department is already getting the maximum federal funds available to it by obtaining aid on current projects.

In accordance with statutory provisions, the unexpended or unencumbered balance at the close of the fiscal year is appropriated for capital outlay highway and bridge construction. This balance is included as a reserve at the end of the fiscal year to apply on the State's share of outstanding construction contracts. Any outstanding contracts in excess of this reserve are financed from subsequent years' revenue.

STATE TRANSPORTATION DEPARTMENT FUND

The fund, established by P.A. 444 of 1978, is administered by the Department of Transportation. Its budget is subject to annual legislative review and appropriation. Financing is provided by a transfer from the Michigan Transportation Fund. Transfers are then made to the State Trunkline Fund and Comprehensive Transportation Fund as provided by statutory formulae.

MICHIGAN TRANSPORTATION FUND

This fund, previously Motor Vehicle Highway Fund, established by P.A. 51 of 1951, Sec. 10, as amended, is administered jointly by the Department of Transportation and the Department of State. In addition, a number of types of revenue are collected by the Department of Treasury. The fund is a receiving fund for the several tax revenues dedicated to highway purposes. Transfers are made to the General Fund to pay the cost of collection of the dedicated revenues and to the State Transportation Department Fund and the Michigan State Waterways Fund in accordance with the statutory formulae. Expenditures consist of grants to counties, cities, and villages for highway purposes in accordance with statutory formulae and pursuant to P.A. 5 of 1967 (Extra Session), Sec. 91, to the Mackinac Bridge Authority to apply on payment of principal and interest of the outstanding bonds so bridge tolls can be reduced.

COMPREHENSIVE TRANSPORTATION FUND

The Comprehensive Transportation Fund was created by Public Acts 326, 327, and 328 of 1972 and Public Act 197 of 1972. Further additions and amendments to the laws governing this fund were enacted in 1975, being Public Acts 195, 196, and 739. Prior to Public Act 444 of 1978, this fund was known as the General Transportation Fund.

COMPREHENSIVE TRANSPORTATION FUND (Continued)

The fund, under the direction of the Department of Transportation, was created for the purpose of planning and development of public transportation systems within the State. In accordance with statutory provisions, the unobligated balance at the close of the fiscal year is appropriated for discretionary use for public transportation.

Financing is provided by a transfer from the State Transportation Department Fund, delinquent railroad taxes, federal, local, and aviation related revenues. The fund also receives an annual transfer from the General Fund.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

(TRANSPORTATION RELATED)

SEPTEMBER 30, 1979

(In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND
ASSETS		
Cash (in transit and imprest funds)	$ 2	$ 19
Equity in State Treasurer's Common Cash Fund	5,037	167,785
Taxes, interest, and penalties receivable	-	-
Less allowance for uncollectible taxes	-	-
Less revenue expected to be received more than 12 months after fiscal year end	-	-
Amounts due from other funds	138	4,374
Amounts receivable from federal governmental agencies	5,291	42,651
Amounts receivable from local units of government	1,975	9,753
Amounts receivable from private carriers	-	-
Inventories	-	7,764
Land contracts outstanding	-	4,214
Other assets	2	685
Total Assets	$ 12,446	$ 237,247
LIABILITIES AND FUND BALANCES		
Liabilities:		
Warrants outstanding	$ 885	$ 9,205
Accounts payable	122	14,810
Amounts due to other funds	1	10,176
Amounts withheld from contractors	486	11,601
Amounts due to other governmental agencies	-	70
Deferred revenue	984	5,219
Other liabilities	2	505
Total Liabilities	2,486	51,588
Fund Balances:		
Reserved for encumbrances	21	3,204
Other reserves:		
Reserved for unencumbered restricted revenue balances (except capital outlay)	-	-
Reserved for unencumbered capital outlay and work projects	6,387	182,454
Reserved for airport revolving loans	573	-
Total Other Reserves	6,960	182,454
Unreserved	2,977	-
Total Fund Balances	9,959	185,658
Total Liabilities and Fund Balances	$ 12,446	$ 237,247

MICHIGAN TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION FUND	TOTALS SEPTEMBER 30, 1979	TOTALS SEPTEMBER 30, 1978
$ -	$ -	$ 21	$ 208
76,621	89,588	339,033	280,227
1,844	5,016	6,861	29,179
(1,440)	(2,725)	(4,166)	(1,627)
(79)	-	(79)	(17,327)
2,278	11,992	18,781	20,551
-	6,372	54,315	38,503
393	2,127	14,249	5,134
-	4,067	4,067	-
-	-	7,764	7,420
-	-	4,214	2,452
-	780	1,468	6,006
$ 79,618	$ 117,220	$ 446,532	$ 370,729
$ 385	$ 249	$ 10,726	$ 7,913
74,859	10,599	100,390	85,925
-	-	10,178	15,394
-	-	12,088	11,112
-	-	70	-
-	3,212	9,416	3,904
-	12	523	86
75,244	14,074	143,394	124,334
-	123	3,350	3,970
4,373	92,217	96,591	43,973
-	10,804	199,645	196,093
-	-	573	557
4,373	103,021	296,809	240,623
-	-	2,977	1,798
4,373	103,144	303,137	246,393
$ 79,618	$ 117,220	$ 446,532	$ 370,729

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

(TRANSPORTATION RELATED)

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	STATE TRANSPORTATION DEPARTMENT FUND
REVENUES			
Taxes	$ -	$ -	$ -
From federal agencies	13,578	148,272	-
From local agencies	1,978	2,817	-
From services	-	300	-
From licenses and permits	-	616	-
Miscellaneous	-	24,476	-
Total Revenues	15,556	176,483	-
EXPENDITURES			
Current:			
Transportation	2,275	146,262	-
Capital outlay	16,126	260,918	-
Total Expenditures	18,402	407,180	-
Excess of Revenues over (under) Expenditures	(2,845)	(230,696)	-
OTHER FINANCING SOURCES (USES)			
Operating transfers in	4,859	282,545	329,925
Operating transfers out	(260)	(35,874)	(329,925)
Total Other Financing Sources (Uses)	4,599	246,670	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	1,754	15,973	-
Fund Balances (including reserves) - October 1	8,205	169,684	-0-
Fund Balances (including reserves) - September 30	$ 9,959	$ 185,658	$ -0-

MICHIGAN TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION FUND	TOTALS FISCAL YEAR ENDED SEPTEMBER 30, 1979	TOTALS FISCAL YEAR ENDED SEPTEMBER 30, 1978
$ 738,340	$ 17,167	$ 755,507	$ 625,352
-	7,905	169,756	159,586
-	1,132	5,929	4,156
-	413	714	692
10,907	70	11,594	11,764
10,695	7,175	42,347	27,842
759,942	33,865	985,849	829,393
382,187	71,329	602,054	504,760
-	2,700	279,744	233,338
382,187	74,029	881,799	738,098
377,755	(40,163)	104,049	91,295
163	81,366	698,860	301,449
(374,697)	(5,407)	(746,165)	(348,060)
(374,534)	75,959	(47,305)	(46,611)
3,220	35,795	56,744	44,683
1,152	67,350	246,393	201,709
$ 4,373	$ 103,145	$ 303,137	$ 246,393

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED

FISCAL YEAR ENDED SEPTEMBER 30, 1979

GAME AND FISH PROTECTION FUND

This fund was established by Public Act 17 of 1921 and is financed principally from hunting and fishing license fees whose purpose is to support the conservation program for preservation and control of fish and wildlife. Activity in this fund consists primarily of transfers to the General Fund to finance appropriations made in the General Fund for game and fish related activities.

In addition, this fund, under provisions of Public Act 91 of 1925 as amended, makes grants to counties as payment in lieu of taxes on certain State owned real property purchased from this fund.

MICHIGAN STATE WATERWAYS FUND

This fund was established by Public Act 320 of 1947 and is financed from watercraft registration taxes and gasoline taxes. Public Act 303 of 1967, as amended by P.A. 153 of 1974, stipulates that 25% of watercraft registration taxes are revenue to the Michigan State Waterways Fund. Public Act 328 of 1972 provides that 1/2 of all State-imposed taxes collected on the sale of gasoline shall be credited to the Waterways Fund after deduction collection costs and refunds.

These revenues are directed primarily toward improvement of lake harbors, docking facilities, and inland waterways. All Michigan State Waterways Fund expenditures, other than capital outlay, are recorded in the General Fund and are financed by transfers from the Michigan State Waterways Fund.

MARINE SAFETY FUND

This fund was established by Public Act 303 of 1967 and is financed by 75% of watercraft registration taxes imposed by this act. Amendatory Act 153 of 1974 provided a graduated watercraft registration tax based upon the length of a vessel or motorboat. Activities of this fund consist solely of transfers to the General Fund and the Michigan State Waterways Fund for water safety education programs, law enforcement, and establishment of regulations for the operation of watercraft on the waters of this State.

STATE PARK IMPROVEMENT FUND

This fund was established by Public Act 149 of 1960 and is financed by the proceeds of an authorized $20 million revenue bond issue, and from State park permit fees necessary for entry by motor vehicle into designated State parks.

The resources of this fund are subject to appropriations by the Legislature for the acquisition of land, construction, development, and improvement of State parks.

STATE RECREATIONAL LAND ACQUISITION TRUST FUND

This fund was established by Public Act 204 of 1976 and is administered by the Department of Natural Resources. Revenue accrues from royalties paid by persons holding lease rights from the State for oil, gas, and minerals. The revenue, and all interest earnings, are used exclusively for the purchase of land or rights in land for hunting or fishing, and other recreational purposes, administrative expenditures, and for the payment of any taxes owed by the State on the lands.

P.A. 39 of 1979 authorized the State to make loans to motor carriers for the purpose of modifying or replacing vehicles used in the transportation of petroleum products. The act allows applicants to submit requests for loans through July 1, 1983, and loans to be made through November 1, 1983. Loans made before October 1, 1980 will come from the State Land Acquisition Trust Fund. Loans made between October 1, 1980 and November 1, 1983 will be made from the General Fund. P.A. 39 requires the Legislature to annually appropriate from the General Fund to the State Land Acquisition Trust Fund the difference between interest from the loans and the interest which would have been earned had the funds been invested, as well as an amount equal to losses suffered because of defaulted loans. The act established a $6.0 million limit on loans from this fund. At September 30, 1979 there were $731 thousand in loans outstanding.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

(CONSERVATION AND RECREATION RELATED)

SEPTEMBER 30, 1979

(In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND
ASSETS		
Cash (in transit and imprest funds)	$ 591	$ 3
Equity in State Treasurer's Common Cash Fund	1,001	7,979
Amounts due from other funds	13	195
Amounts receivable from Federal governmental agencies	470	-
Amounts receivable from local units of government	68	-
Other assets	-	-
Total Assets	$ 2,146	$ 8,178
LIABILITIES AND FUND BALANCES		
Liabilities:		
Warrants outstanding	$ 11	$ 4
Accounts payable	65	7
Other liabilities	-	-
Total Liabilities	77	11
Fund Balances:		
Reserved for encumbrances	35	2,581
Other reserves:		
Reserved for unencumbered restricted revenue balances (except capital outlay)	1,193	-
Reserved for unencumbered capital outlay	375	3,766
Total Other Reserves	1,568	3,766
Unreserved	464	1,819
Total Fund Balances	2,068	8,166
Total Liabilities and Fund Balances	$ 2,146	$ 8,178

MARINE SAFETY FUND	STATE PARK IMPROVEMENT FUND	STATE RECREATIONAL LAND ACQUISITION TRUST FUND	TOTALS SEPTEMBER 30, 1979	TOTALS SEPTEMBER 30, 1978
$ -	$ -	$ -	$ 595	$ 153
2,250	6,599	18,612	36,442	28,788
62	139	416	828	462
-	-	-	470	236
-	-	-	68	69
-	-	791	791	501
$ 2,313	$ 6,738	$ 19,819	$ 39,196	$ 30,211
$ -	$ 39	$ -	$ 54	$ 102
-	3	-	76	127
-	-	-	1	31
-	42	-	132	261
	591	-	3,208	1,193
-	-	-	1,193	2,187
-	3,782	391	8,315	10,397
-	3,782	391	9,508	12,584
2,313	2,322	19,427	26,348	16,170
2,313	6,695	19,819	39,064	29,949
$ 2,313	$ 6,738	$ 19,819	$ 39,196	$ 30,211

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - OTHER

FISCAL YEAR ENDED SEPTEMBER 30, 1979

COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND

This fund was created by Public Act 76 of 1977 to assist in stabilizing revenue and employment during periods of economic recession and high unemployment. In general, transfers are made from the General Fund during improving economic times. Funds flow from this fund to the General Fund in time of declining economy.

Amounts transferred to the fund are limited to actual appropriations made annually by the Legislature. Such appropriations are based on a formula that is dependent on the annual growth rate as defined by the Statute.

Transfers from the fund are based upon a formula which is dependent upon unemployment rates, however, under certain conditions the Legislature may override the formula and make appropriations from the fund. In the event that the fund balance at year end exceeds 25% of the actual General Fund general purpose revenue for the fiscal year, the law provides that the excess be rebated on the individual income tax returns filed in the following fiscal year.

MICHIGAN EMPLOYMENT SECURITY ACT -- ADMINISTRATION FUND

This fund was created by Act 1 of 1936 (Extra Session). The fund derives practically all of its revenue from federal grants. The Legislature does not review the budget for this activity. As its name indicates, the administrative costs of this operation are accounted for in this fund. Unemployment benefit payments to individuals are made directly by the agency from trust funds accumulated from employer premium payments and are not reflected in the State's general records.

MICHIGAN VETERANS' BENEFIT (TRUST) FUND

This fund was created by P.A. 9 of 1946 (First Extra Session). The purpose of the fund is to account for the earnings of the fund, consisting primarily of interest earned on a $50.0 million trust corpus, and the distribution of such earnings to veterans and their beneficiaries for various assistance programs and for the administrative cost of the fund. The trust corpus has, by statute, periodically been transferred (in 1959 and 1976) to the General Fund. The statutes authorizing these transfers have provided for an annual repayment schedule from the General Fund so that the principal is restored and the annual operating needs of the trust fund are met. The fund is administered by a six member board of trustees.

SCHOOL AID FUND

This fund was created in 1955 by an amendment to the 1908 Constitution. Its continued existence was provided for by the 1963 Constitution. Its purpose is to furnish aid to school districts and school employees' retirement. Financing is provided by the constitutional dedication of 50% of total State sales tax revenue and statutory levies of a one mill cigarette tax and a four percent liquor excise tax, and an annual transfer from the General Fund. Payments of aid to school districts are based on a statutory formula which provides that if dedicated tax revenues are not sufficient, the deficiency is to be appropriated from the General Fund.

MOTOR VEHICLE ACCIDENT CLAIMS FUND

The Motor Vehicle Accident Claims Fund, established by P.A. 138 of 1965, was financed by a $45 fee for uninsured motor vehicles. This revenue is used for the costs of administering the fund and to provide financial recourse for parties incurring bodily injury or property damage in accidents involving uninsured motor vehicles. The requirements for administration are transferred to the General Fund where they are incorporated in the budget of the Department of State, the principal department responsible for this function. Claims settlements are paid directly from the fund.

The purpose of this fund has been diminished by P.A. 294 of 1972. This act implemented "no fault" insurance in Michigan and requires that the owner of each motor vehicle registered in Michigan be covered by the insurance specified in the act. Since October 1, 1973, the effective date of this act, the $45 fee for uninsured motorists has not been collected. Therefore, the primary revenue of this fund has been discontinued and the fund's continuation will, under existing legislation, be devoted primarily to settling outstanding claims.

STATE CAMPAIGN FUND

This fund was established by P.A. 189 of 1976 and by title is known as the "Michigan Fair Campaign Finance Reporting Act." Under certain provisions of this act public financing is available to provide assistance to candidates participating in the gubernatorial campaign. The resources of this fund are derived by taxpayer designation on the annual State income tax return. The amount that a taxpayer may designate and the distribution formula to candidates is specified in the act.

While taxpayer designations may be made each tax year, distributions to candidates are made only in gubernatorial election years. Unexpended balances shall be credited to the General Fund after the election for which the monies were received.

SAFETY EDUCATION AND TRAINING FUND

This fund was established by P.A. 78 of 1977 and became effective March 30, 1978 under the jurisdiction of the Department of Labor. P.A. 78 imposes an annual fee on each insurance carrier licensed to do workers' disability compensation business in the state, from the State Accident Fund, and from each self-insured employer. The act provides for deposit of these assessments in the Safety Education and Training Fund to finance the Safety Education and Training Division of the Department of Labor. These funds shall be annually appropriated by the Legislature for operations.

STATE LOTTERY FUND

Public Act 239 of 1972 established the State Lottery Fund and created a Bureau of State Lottery under authority of Section 4 of Article X of the State Constitution. This authority expired on August 1, 1978, at which time the Bureau became a departmental entity in the Department of Management and Budget.

Lottery fund revenue is generated primarily by the sale of instant tickets. P.A. 239 of 1972 requires that, as nearly as practicable, 45% of gross ticket sales be returned to the ticket purchasers. Prizes awarded fall into two classifications; those which are paid in one lump sum and those which are paid on an installment basis. The installment payments involve an initial payment with the balance spread over more than one year. The deferred payments are discounted at the present value of the future amounts discounted at a rate of 6%. The discount is amortized under the interest method over the installment term. The State Treasurer invests funds equivalent to discounted value of installment payments and the Lottery Fund is credited with the interest earnings. Net income remaining after allowance for prize awards and expenditures is transferred to the General Fund.

Revenues from the sale of subscription tickets are recognized in the period during which the drawings are held. Revenue from the sale of other lottery tickets (daily numbers, sports games, and allocations of revenue to the prize reserve) are recognized in the period during which the tickets are sold. Prize awards are transferred to the Obligation Account when the drawings are held. Other operating expenditures are recognized in the period during which the expenditure is incurred.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

(OTHER)

SEPTEMBER 30, 1979

(In Thousands)

ASSETS	MICHIGAN EMPLOYMENT SECURITY ACT ADMS. FUND	MICHIGAN VETERANS' BENEFIT (TRUST) FUND	SCHOOL AID FUND	MOTOR VEHICLE ACCIDENT CLAIMS FUND
Cash (in transit and imprest funds)	$ 1	$ 11	$ -	$ 213
Equity in State Treasurer's Common Cash Fund	8,115	1,977	-	8,401
Taxes, interest, and penalties receivable	-	-	92,864	-
Less allowance for uncollectible taxes	-	-	(13,721)	-
Less revenue expected to be received more than 12 months after fiscal year end	-	-	(1,360)	-
Amounts due from other funds	-	47	-	320
Amounts receivable from Federal governmental agencies	3,488	-	3,810	-
Amounts receivable from local units of government	-	654	-	-
Security investments--equities at cost, all others at face value less collections on principal	-	-	-	-
Securities investments--unamortized premium or discount	-	-	-	-
Other assets	229	97	-	-
Total Assets	$ 12,835	$ 2,789	$ 74,786	$ 8,934
LIABILITIES AND FUND BALANCES				
Liabilities:				
Liability to State Treasurer's Common Cash Fund	$ -	$ -	$ 80,486	$ -
Warrants outstanding	1,288	87	3	-
Accounts payable	2,755	283	95	-
Amounts due to other funds	9	-	-	-
Prize awards payable	-	-	-	-
Deferred revenue	1,564	-	-	-
Other liabilities	304	-	-	-
Total Liabilities	5,921	371	80,586	-
Fund Balances:				
Reserved for encumbrances	954	-	-	-
Other reserves:				
Reserved for unencumbered general purpose and restricted revenue balances--capital outlay and work projects	37	-	-	-
Reserved for unencumbered restricted revenue balances (except capital outlay)	5,921	1,089	-	-
Reserved for prize awards	-	-	-	-
Total other reserves	5,959	1,089	-	-
Unreserved	-	329	(5,800)	8,934
Total Fund Balances	6,913	1,918	(5,800)	8,934
Total Liabilities and Fund Balances	$ 12,835	$ 2,789	$ 74,786	$ 8,934

STATE LOTTERY FUND	COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND	SAFETY EDUCATION AND TRAINING FUND	TOTALS SEPTEMBER 30, 1979	TOTALS SEPTEMBER 30, 1978
$ 810	$ -	$ -	$ 1,157	$ 1,810
1,319	235,088	1,757	353,259	141,760
-	-	-	37,864	72,209
-	-	-	(9,722)	(6,680)
-	-	-	(1,966)	(1,404)
4	6,044	55	8,371	2,337
-	-	-	13,098	1,505
-	-	-	555	724
50,234	-	-	50,234	57,164
(109)	-	-	(109)	(143)
3,812	-	-	4,140	7,152
$ 58,071	$ 241,132	$ 1,813	$ 399,862	$ 278,513
$ -	$ -	$ -	$ 80,486	$ 75,838
316	-	-	1,496	2,067
1,511	-	-	4,647	7,404
-	-	-	9	452
52,542	-	-	52,542	56,228
1,197	-	-	2,721	1,460
92	-	-	396	-
55,621	-	-	142,500	143,453
92	-	-	1,047	414
-	-	-	37	-
-	-	-	7,010	6,967
2,357	-	-	2,352	3,327
2,357	-	-	9,405	10,275
-	241,132	1,813	246,909	124,329
2,450	241,132	1,813	257,362	135,069
$ 58,071	$ 241,132	$ 1,813	$ 399,862	$ 278,513

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

(OTHER)

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

	MICHIGAN EMPLOYMENT SECURITY ACT ADMS. FUND	MICHIGAN VETERANS BENEFIT (TRUST) FUND	SCHOOL AID FUND	MOTOR VEHICLE ACCIDENT CLAIMS FUND
REVENUES				
Taxes	$ -	$ -	$ 856,889	$ -
From Federal agencies	94,091	-	18,179	-
From licenses and permits	-	-	-	-
Miscellaneous	1,161	274	148	3,431
Total Revenues	95,153	274	875,217	3,431
EXPENDITURES				
Current:				
General government	-	3,474	-	4,749
Education	-	-	1,472,380	-
Regulatory	91,073	-	-	-
Capital outlay	4	-	-	-
Total Expenditures	91,077	3,474	1,472,380	4,749
Excess of Revenues over (under) Expenditures	4,074	(3,200)	(597,163)	(1,318)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	13	3,100	422,862	-
Operating transfers out	(2,827)	(8)	(425,900)	(3,672)
Total Other Financing Sources (Uses)	(2,813)	3,092	(3,038)	(3,672)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	1,261	(108)	(2,900)	(4,990)
Fund Balances (including reserves) - October 1	5,682	2,028	16,700	13,864
Fund Balances (including reserves) - September 30	$ 6,943	$ 1,918	$ 13,800	$ 8,934

STATE CAMPAIGN FUND	STATE LOTTERY FUND	COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND	SAFETY EDUCATION AND TRAINING FUND	TOTALS FISCAL YEAR ENDED SEPTEMBER 30, 1979	TOTALS FISCAL YEAR ENDED SEPTEMBER 30, 1978
$ -	$ -	$ -	$ -	$ 955,989	$ 872,788
-	-	-	-	132,191	99,891
-	467	-	-	467	648
-	415,068	22,109	1,005	442,640	342,236
-	415,436	22,109	1,005	1,531,289	1,315,364
70	248,188	-	-	956,482	[illegible]
-	-	-	-	1,479,380	1,[illegible],374
-	-	-	-	91,073	93,863
-	-	-	-	4	1
70	248,188	-	-	1,810,341	1,686,564
(69)	167,248	22,109	1,005	(308,522)	(371,200)
-	-	104,100	-	1,033,478	892,911
(2,270)	(168,683)	-	(760)	(604,733)	(407,911)
(2,270)	(168,683)	104,100	(760)	428,804	485,000
(2,339)	(334)	126,209	245	122,302	114,177
2,339	3,364	114,922	1,567	135,059	20,337
$ -0-	$ 2,466	$ 241,132	$ 1,813	$ 257,362	$ 135,059

STATE OF MICHIGAN

DESCRIPTIONS OF TRUST FUNDS - RETIREMENT

FISCAL YEAR ENDED SEPTEMBER 30, 1979

LEGISLATIVE RETIREMENT FUND

The Legislative Retirement System was created by P.A. 261 of 1957 to provide retirement allowances, survivors' allowances, and other benefits for members of the Legislature and the presiding officers and their widows or children.

Participants in the system have a deduction from each salary payment to partly finance the fund. In addition, legislative appropriations, interest on fund investments, and court fees complete the financing.

STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND

This fund was created by Public Act 251 of 1935 to provide retirement benefits for State Police officers and is administered by the Director for the Department of State Police under the supervision of the State Administrative Board. Financing is provided by investment income and by an annual legislative appropriation from the General Fund.

STATE EMPLOYEES' RETIREMENT FUND

This fund was established by P.A. 240 of 1943 and is administered by a retirement system under the direction of an Executive Secretary. P.A. 216 of 1974 eliminated the requirement for employee contributions and provided for financing entirely by legislative appropriation. Financing requirements are based on an actuarial percentage of members' current salaries and annual actuarial testing costs are financed by the investment earnings of the fund.

PUBLIC SCHOOL EMPLOYEES' CHAPTER I RETIREMENT FUND

P.A. 136 of 1945 created the Public School Employees' Chapter I Retirement Fund. Financing is based on an actuarial determination which is funded by annual appropriations made by the legislature and employer contributions. Benefit payments and administrative costs are the principal expenses of this fund. Administrative policy is determined by an eight member board which also oversees the Chapter II system.

PUBLIC SCHOOL EMPLOYEES' CHAPTER II RETIREMENT FUND

The establishment of this fund was based on Public Act 259 of 1974. This statute mandates merging of the Chapter II system (Detroit school employees) with Chapter I system (all State school employees except Detroit) as soon as possible after June 30, 1975. At present all records and operations have been placed under a single state administration. A separate fund for the Public School Employees' Chapter I and a separate fund for the Chapter II system are maintained since contrast benefits differ for each of the two groups thereby necessitating separate accountability. Administrative policy is determined by an eight member board which also oversees the Chapter I system.

PROBATE JUDGES' AND JUDGES' RETIREMENT FUNDS

P.A. 198 of 1951 and P.A. 165 of 1954 created the Judges' and Probate Judges' Retirement funds respectively. These funds are administered by their respective boards under direction of the Executive Secretary of the State Employees' Retirement Fund. Financing is from member contributions and court filing fees as provided under law.

STATE OF MICHIGAN

COMBINING BALANCE SHEET

TRUST FUNDS

(RETIREMENT)

SEPTEMBER 30, 1979

(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE PENSION ACCIDENT AND DISABILITY FUND	STATE EMPLOYEES' RETIREMENT FUND
ASSETS			
Cash (in transit and imprest funds)	$ 26	$ 1	$ 291
Equity in State Treasurer's Common Cash Fund	4,063	3,668	153,215
Amounts due from other funds	80	317	3,738
Amounts receivable from local units of government	-	-	-
Security investments--equities at cost; all others at face value less collections on principal	14,577	69,103	845,635
Security investments--unamortized premium or discount	(61)	(2,319)	(34,310)
Other assets	559	1,089	13,893
Total Assets	$ 19,143	$ 77,860	$ 982,462
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants outstanding	$ 36	$ 183	$ 1,504
Accounts payable	-	1	63
Amounts due to other funds	-	-	-
Other liabilities	-	60	1,466
Total Liabilities	36	244	3,033
Fund Balances:			
Retirement System Reserves:			
Reserve for participants' retirement	12,262	-	-
Reserve for participants' savings	1,173	-	-
Reserve for survivors' retirement	4,170	-	-
Reserve for grants and insurance	1,505	-	-
Reserve for employees' savings	-	-	137,884
Reserve for employers' accumulation	-	-	361,964
Reserve for annuity accumulation	-	-	-
Reserve for annuities	-	-	-
Reserve for annuity savings	-	-	-
Reserve for pension accumulation	-	-	-
Reserve for pensions	-	-	464,801
Reserve for old age survivors' insurance	-	-	(37)
Reserve for income	(4)	-	32,847
Reserve for expense	-	-	-
Reserve for balance of funds held in a trust capacity	-	77,615	-
Total Retirement System Reserves	19,107	77,615	989,458
Total Fund Balances	19,107	77,615	989,458
Total Liabilities and Fund Balances	$ 19,143	$ 77,860	$ 992,462

PUBLIC SCHOOL EMPLOYEES' CHAPTER I RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' CHAPTER II RETIREMENT FUND	PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	TOTALS SEPTEMBER 30, 1979	TOTALS SEPTEMBER 30, 1978
$ 4	$ 4	$ -	$ 7	$ 336	$ 414
429,836	37,562	1,274	4,181	639,301	460,910
10,816	747	30	127	15,866	11,533
20,553	1,316	-	-	21,870	19,770
2,626,782	391,249	4,961	21,590	3,073,300	3,468,549
(67,601)	(3,498)	(108)	(600)	(98,490)	(76,290)
41,117	5,280	113	484	62,418	51,145
$ 3,061,509	$ 432,663	$ 6,270	$ 25,791	$ 4,615,702	$ 3,936,061
$ 7,533	$ 1,668	$ 19	$ 38	$ 10,989	$ 7,891
82	-	-	-	127	15
32,038	-	-	-	32,038	-
2,730	273	8	24	4,521	2,428
42,385	1,942	28	62	42,704	10,296
-	-	-	-	12,762	10,321
-	-	-	-	1,173	1,260
-	-	-	-	4,170	3,582
-	-	-	-	1,505	1,341
-	-	-	-	137,883	162,909
-	-	-	-	363,964	301,394
637,521	-	-	-	637,521	667,502
185,358	60,045	1,835	8,772	256,012	219,213
-	123,460	915	5,386	129,762	132,229
-	33,632	-	-	33,632	61,638
2,045,997	197,073	4,281	10,864	2,712,019	1,971,286
-	-	-	-	(37)	(26)
150,247	16,508	201	596	200,395	357,058
-	-	8	108	117	293
-	-	-	-	77,615	65,310
3,019,124	430,721	6,242	25,229	4,567,998	3,925,765
3,019,124	430,721	6,242	25,729	4,567,998	3,925,765
$ 3,061,509	$ 432,663	$ 6,270	$ 25,791	$ 4,615,702	$ 3,936,061

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES

TRUST FUNDS

(RETIREMENT)

FISCAL YEAR ENDED SEPTEMBER 30, 1977

(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE PENSION, OFFICERS' AND DISABILITY FUND	STATE EMPLOYEES' RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' CHAPTER 1 RETIREMENT FUND
OPERATING REVENUES:				
Contributions from members and employers	$ 779	$ 12,661	$ 109,316	$ 185,197
Investment revenue (net)	1,541	5,876	75,240	120,823
Fees from the administration and operation	838			
Miscellaneous				1
Total Operating Revenues	3,158	18,537	184,556	306,021
OPERATING EXPENSES:				
Professional services, benefits and refunds	11	2	16	84
Benefits, refunds, and withdrawals	1,495	1,495	131,242	131,695
Medical, dental, and life insurance for retirants	181	90	8,184	11,472
Refunds to terminated members	42	10	2,410	1,862
Total Operating Expenses	1,731	1,597	141,852	145,113
Operating Income	1,427	16,940	42,704	160,908
OPERATING TRANSFERS:				
Operating transfers in	838		1,000	144,000
Operating transfers out	(1)	(1,000)	(1,000)	(144,000)
Total operating transfers (net)	837	(1,000)		
Net income	2,264	15,940	42,704	160,908
Fund Balances - October 1	11,054	61,615	1,000,618	1,616,616
Fund Balances - September 30	$ 13,318	$ 77,555	$ 1,043,322	$ 1,777,524

PUBLIC SCHOOL EMPLOYEES' CHAPTER 11 RETIREMENT FUND	PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	FISCAL YEAR ENDED SEPTEMBER 30, 1974	FISCAL YEAR ENDED SEPTEMBER 30, 1973
$ 22,841	$ 103	$ 940	$ 331,690	$ 306,931
29,142	486	1,413	340,873	291,677
-	343	2,345	3,681	3,010
-	-	-	1	14
51,983	934	4,698	676,245	601,632
8			148	148
42,263	439	1,146	240,719	208,915
2,636	-	-	22,455	17,991
1,316	-	-	11,873	10,233
46,223	439	1,146	275,195	237,287
5,761	495	3,552	95,149	81,699
63,357	-	46	488,754	421,114
119,588	495	1,598	1,035,243	1,000,132
61,771	1,111	1,644	754,078	680,018
64,537	495	1,809	437,611	403,054
381,180	3,479	14,731	3,277,118	2,923,934
$ 430,361	$ 3,974	$ 16,540	$ 3,714,729	$ 3,326,988

STATE OF MICHIGAN

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

TRUST FUNDS

(RETIREMENT)

FISCAL YEAR ENDED SEPTEMBER 30, 1978

(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND	STATE EMPLOYEES' RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' CHAPTER 1 RETIREMENT FUND
SOURCES OF FUNDS:				
Net Income	$ 2,951	$ 12,304	$ 130,820	$ 442,984
Working Capital Provided	2,951	12,304	130,820	442,984
Total Sources of Funds	$ 2,951	$ 12,304	$ 130,820	$ 442,984
APPLICATION OF FUNDS:				
Net Increase in Working Capital	2,951	12,304	130,820	442,984
Total Application of Funds	$ 2,951	$ 12,304	$ 130,820	$ 442,984
CHANGES IN NET INCOME AFFECTING WORKING CAPITAL:				
Cash (Increase) Decrease	$ (2)	$ 1	$ (71)	$ 1
Equity in State Treasurer's Common Cash Pool	(42)	12,411	80,716	126,129
Investments	2,973	11,308	169,012	336,857
Accounts Due from Other Funds	22	149	(1,806)	4,336
Accounts Receivable from Local Units of Government	-	-	-	776
Other Assets	(13)	10	2,430	10,048
Warrants Outstanding	(28)	(161)	(533)	(2,043)
Accounts Payable	-	1	(33)	(52)
Accounts Due to Other Funds	-	-	-	(22,038)
Other Liabilities		(150)	(104)	11,670
Net Increase (Decrease) in Working Capital	$ 2,951	$ 12,304	$ 130,820	$ 442,984

PUBLIC SCHOOL EMPLOYEES' CHAPTER 13 RETIREMENT FUND	PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	TOTALS (MEMORANDUM ONLY) FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1978	TOTALS (MEMORANDUM ONLY) FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1978
$ 49,535	$ 675	$ 3,000	$ 868,231	$ 915,856
49,535	675	3,000	868,231	915,856
$ 49,535	$ 675	$ 3,000	$ 868,231	$ 915,856
49,538	675	3,000	868,231	915,856
$ 49,538	$ 675	$ 3,000	$ 868,231	$ 915,856
$ -	$ -	$ 1,000	$ (1,000)	$ 915
23,076	1,581	419	128,491	373,141
26,957	1,581	3,134	883,190	167,161
541	1,581	1,134	6,135	8,422
1,316	-	-	(1,000)	2,000
11,658	1,581	2	15,771	1,581
(438)	1,581	(1,134)	(3,134)	(3,134)
-	-	-	(1,134)	268
-	-	-	(12,000)	-
(1,556)	1,581	(1,134)	(12,134)	915
$ 49,538	$ 675	$ 3,000	$ 868,231	$ 915,856

STATE OF MICHIGAN

SCHEDULE OF CHANGES IN ASSETS, LIABILITIES, AND RESERVE

RECEIPTS CLEARING FUND

FISCAL YEAR ENDED SEPTEMBER 30, 1970

(In Thousands)

	BALANCE OCTOBER 1, 1969	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1970
ASSETS				
Cash in transit	$ 1,103	$ 8,132	$ 8,038	$ 1,197
Equity in State Treasurer's Common Cash Fund	1,003	877,342	877,187	1,157
Other assets	75	1,335	1,335	75
Total Assets	$ 2,181	$ 886,809	$ 886,560	$ 2,429
LIABILITIES AND RESERVE				
Warrants outstanding	$ 45	$ 182,174	$ 181,951	$ 268
Accounts payable	2,136	694,131	694,779	1,488
Total Liabilities	2,181	876,305	876,730	1,756
Reserve for distribution to funds				
State funds	191	10,504	9,830	865
Total Liabilities and Reserve	$ 2,372	$ 886,809	$ 886,560	$ 2,621

GENERAL FUND

	1978-79 TOTAL AUTHORIZATIONS	TOTAL EXPENDED AND TRANSFERRED	BALANCES FORWARD TO 1979-80	TOTAL LAPSES	OVER EXPENDED OR OVER OBLIGATED
Current:					
General government	$ 327,281	$ 303,048	$ 13,740	$ 1,493	$ [illegible]
Education	1,088,767	1,077,771	[illegible]	[illegible]	
Health and welfare	2,579,055	2,558,306	10,857	[illegible]	[illegible]
Public safety and corrections	279,316	266,107	[illegible]	[illegible]	[illegible]
Conservation and recreation	161,488	142,617	[illegible]	[illegible]	[illegible]
Regulatory	201,135	194,111	[illegible]	[illegible]	
Mental health	465,056	450,985	[illegible]	[illegible]	
Transportation					
Other grants and distributions	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Capital outlay	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Financing Uses:					
Operating transfers out	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

STATE OF MICHIGAN

COMBINING SCHEDULE OF EXPENDITURES AND TRANSFERS COMPARED WITH AUTHORIZATIONS

SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

	1978-79 TOTAL AUTHORIZATION	TOTAL EXPENDED AND TRANSFERRED	BALANCES FORWARD TO 1979-80	TOTAL LAPSED	OVER EXPENDED OR OVER OBLIGATED
Current:					
General government	$ 260,125	$ 256,482	$ 3,539	$ 102	$ -
Education	1,466,580	1,472,380	-	-	5,800
Conservation and recreation	25	-	25	-	-
Regulatory	97,921	91,073	6,847	-	-
Transportation	706,072	662,064	103,311	706	2
Total current	2,530,725	2,421,991	113,723	809	5,800
Capital outlay:					
Conservation and recreation	19,596	7,671	11,523	401	-
Regulatory	70	4	66	-	-
Transportation	476,951	279,744	196,275	931	-
Total capital outlay	496,618	287,420	207,865	1,333	-
Totals	3,027,344	2,709,412	321,589	2,142	5,800
Other Financing Uses:					
Operating transfers out:					
General government	174,139	173,634	-	506	-
Education	426,900	426,900	-	-	-
Conservation and recreation	38,027	34,242	1,107	2,677	-
Regulatory	3,667	3,587	-	80	-
Transportation	746,191	746,165	-	25	-
Total other financing uses	1,388,925	1,384,530	1,107	3,288	-
Total	$ 4,416,269	4,093,942	322,756	5,430	5,800

Comprehensive Transportation Fund					
Current	$ 167,175	$ 71,329	$ 95,845	$ -	$ -
Capital outlay	10,000	2,700	7,299	-	-
Total	177,175	74,029	103,145	-	-
Other Financing Uses:					
Operating transfers out	5,407	5,407	-	-	-
Fund Total	$ 182,582	$ 79,437	$ 103,145	$ -	$ -
Combined Transportation					
Current	$ 786,072	$ 602,054	$ 103,311	$ 708	$ -
Capital outlay	476,951	279,744	196,275	931	-
Total	1,183,024	881,799	299,587	1,637	-
Other Financing Uses:					
Operating transfers out	766,191	766,165	-	25	-
Combined Total	$ 1,949,215	$ 1,647,964	$ 299,587	$ 1,664	$ -

STATE OF MICHIGAN

COMBINING SCHEDULE OF EXPENDITURES AND TRANSFERS COMPARED WITH AUTHORIZATIONS

SPECIAL REVENUE FUNDS

(CONSERVATION AND RECREATION RELATED)

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

FUND	1978-79 TOTAL AUTHORIZATIONS	TOTAL EXPENDED AND TRANSFERRED	BALANCES FORWARD TO 1979-80	TOTAL LAPSES	OVER EXPENDED OR OVER OBLIGATED
Game and Fish Protection Fund					
Current	$ 25	$ -	$ 25	$ -	$ -
Capital outlay	1,370	956	410	4	-
Total	1,395	956	435	4	-
Other Financing Uses:					
Operating transfers out	28,807	25,838	1,187	1,781	-
Fund Total	$ 30,234	$ 26,794	$ 1,622	$ 1,818	$ -
Michigan State Waterways Fund					
Capital outlay	$ 9,688	$ 3,291	$ 6,347	$ 50	$ -
Total	9,688	3,291	6,347	50	-
Other Financing Uses:					
Operating transfers out	4,475	3,975	-	500	-
Fund Total	$ 14,163	$ 7,266	$ 6,347	$ 550	$ -
Marine Safety Fund					
Other Financing Uses:					
Operating transfers out	$ 3,845	$ 3,347	$ -	$ 498	$ -
Fund Total	$ 3,845	$ 3,347	$ -	$ 498	$ -
State Park Improvement Fund					
Capital outlay	$ 8,500	$ 3,211	$ 5,333	$ -	$ -
Total	8,500	3,211	5,333	-	-
Other Financing Uses:					
Operating transfers out	2,744	2,744	-	-	-
Fund Total	$ 11,244	$ 5,955	$ 5,333	$ -	$ -

STATE OF MICHIGAN

COMBINING SCHEDULE OF EXPENDITURES AND TRANSFERS COMPARED WITH AUTHORIZATIONS

SPECIAL REVENUE FUNDS

(OTHER)

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

FUND	1978-79 TOTAL AUTHORIZATIONS	TOTAL EXPENDED AND TRANSFERRED	BALANCES FORWARD TO 1979-80	TOTAL LAPSED	OVER EXPENDED OR OVER OBLIGATED
Michigan Employment Security Act - Administration Fund					
Current:					
Regulatory	$ 97,931	$ 91,073	$ 6,841	$ -	$ -
Capital outlay:					
Regulatory	70	4	66	-	-
Total	97,992	91,078	6,915	-	-
Other Financing Uses:					
Operating transfers out					
Regulatory	2,927	2,927			
Fund Total	100,919	$ 94,005	$ 6,915	$	$ -
Michigan Veterans' Benefit (Trust) Fund					
Current:					
General government	$ 4,666	$ 3,474	$ 1,005	$ 187	$ -
Total	4,666	3,474	1,005	187	-
Other Financing Uses:					
Operating transfers out					
General government	0	0			
Fund Total	$ 4,679	$ 3,481	$ 1,004	$ 194	$ -
School Aid Fund					
Current:					
Education	$ 1,666,580	$ 1,672,430	$	$	$ 5,850
Total	1,666,580	1,672,430			5,850
Other Financing Uses:					
Operating transfers out					
Education	426,900	421,450			-
Fund Total	$ 2,093,480	$ 2,093,880			$ 5,850
Motor Vehicle Accident Claims Fund					
Current:					
General government	$ 4,744	$ 4,744	$	$	$ -
Total	4,744	4,744			-

STATE OF MICHIGAN

STATEMENT OF REVENUE DEDICATED LONG-TERM DEBT

SEPTEMBER 30, 1985

(In Thousands)

AMOUNT AVAILABLE AND TO BE PROVIDED
FOR PAYMENT OF REVENUE DEDICATED LONG-TERM DEBT

Serial bonds:		
Amount available in debt service funds:		
State Debt Revenue Bond and Interest Redemption Fund		$ 4,477
Environmental Bond and Interest Redemption Fund		25,015
		29,492
Amount to be provided:		
State debt revenue bonds	$ 4,477	
Transportation tax anticipation bonds	114,765	
Transportation bond voted fuel tax bonds	14,563	133,805
TOTAL AVAILABLE AND TO BE PROVIDED		$ 163,805

REVENUE DEDICATED LONG-TERM DEBT PAYABLE

Serial bonds payable	$ 163,805
TOTAL REVENUE DEDICATED LONG-TERM DEBT PAYABLE	$ 163,805

STATE OF MICHIGAN

SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

SEPTEMBER 30, 1979

(In Thousands)

ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS

FISCAL YEAR ENDING SEPTEMBER 30	GENERAL OBLIGATION BONDS	REVENUE BONDS	TOTAL
1980	$ 66,402	$ 30,831	$ 97,234
1981	64,294	30,868	95,161
1982	67,205	30,727	97,932
1983	67,911	25,049	92,960
1984	63,686	25,066	88,753
1985	61,744	18,701	80,446
1986	57,710	11,154	68,864
1987	42,569	7,337	49,906
1988	24,860	1,370	26,231
1989	21,077	1,436	22,514
1990	16,533	1,398	17,931
1991	10,905	1,371	12,280
1992	10,478	1,401	11,879
1993	10,084	1,375	11,459
1994	6,765	1,227	7,992
1995	5,518	1,170	6,688
1996	5,343	102	5,445
1997	5,242	–	5,242
1998	5,141	–	5,141
1999	4,060	–	4,060
TOTAL	$ 617,538	$ 190,590	$ 808,129

STATE OF MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - GENERAL OBLIGATION BONDS

SEPTEMBER 30, 1979

(In Thousands)

FISCAL YEAR ENDING SEPTEMBER 30	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1980	$ 41,600	$ 21,[illegible]	$ 62,[illegible]
1981	43,[illegible]	20,[illegible]	63,[illegible]
1982	45,[illegible]	18,[illegible]	63,[illegible]
1983	41,[illegible]	16,[illegible]	57,[illegible]
1984	39,[illegible]	14,[illegible]	53,[illegible]
1985	40,[illegible]	13,[illegible]	53,[illegible]
1986	40,[illegible]	11,[illegible]	51,[illegible]
1987	39,[illegible]	9,[illegible]	48,[illegible]
1988	38,[illegible]	7,[illegible]	45,[illegible]
1989	20,[illegible]	6,[illegible]	26,[illegible]
1990	17,[illegible]	5,[illegible]	22,[illegible]
1991	16,[illegible]	4,[illegible]	20,[illegible]
1992	9,[illegible]	3,[illegible]	12,[illegible]
1993	8,[illegible]	2,[illegible]	10,[illegible]
1994	8,[illegible]	1,[illegible]	10,[illegible]
1995	6,[illegible]	[illegible]	7,[illegible]
1996	5,[illegible]	[illegible]	6,[illegible]
1997	5,[illegible]	[illegible]	5,[illegible]
1998	5,[illegible]	[illegible]	5,[illegible]
1999	4,[illegible]	[illegible]	4,[illegible]
TOTAL	$ 482,[illegible]	$ [illegible]	$ [illegible]

STATE OF MICHIGAN

DEBT SERVICE REQUIREMENTS TO MATURITY - REVENUE BONDS

SEPTEMBER 30, 1979

(In Thousands)

FISCAL YEAR ENDING SEPTEMBER 30	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
1980	$ 24,260	$ 6,571	$ 30,831
1981	25,730	5,136	30,866
1982	26,560	4,167	30,727
1983	21,795	3,254	25,049
1984	22,665	2,401	25,066
1985	17,070	1,631	18,701
1986	10,110	1,044	11,154
1987	6,685	652	7,337
1988	845	525	1,370
1989	965	471	1,435
1990	985	413	1,398
1991	1,020	351	1,371
1992	1,120	281	1,401
1993	1,170	205	1,375
1994	1,100	127	1,227
1995	1,125	45	1,170
1996	100	2	102
TOTAL	$ 163,805	$ 26,785	$ 190,590

STATE OF MICHIGAN

COMBINED SCHEDULE OF REVENUE

GENERAL AND SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
TAXES			
Sales tax	$ 1,506,294	$ 1,080,350	$ 425,944
Personal income tax	1,943,479	1,771,036	172,443
Corporation income tax	13,314	13,314	-
Single business tax	1,001,300	847,699	153,601
Use tax	232,895	232,895	-
Cigarette tax	140,364	140,364	-
Beer and wine tax	50,434	50,434	-
Liquor excise taxes	35,130	35,130	-
Horse race wagering tax	27,512	15,715	11,796
Intangibles tax	38,377	28,877	9,500
Inheritance tax	53,785	53,785	-
Telephone and telegraph company tax	87,413	87,413	-
Insurance company premium tax	108,778	108,778	-
Motor vehicle weight tax	235,343	-	235,343
Gasoline tax	422,287	7	422,280
Aviation fuel tax	4,462	-	4,462
Diesel fuel tax	30,417	-	30,417
Gas and oil severance tax	14,211	14,211	-
Industrial facilities tax	9,126	9,126	-
Delinquent railroad company tax (Comprehensive Transportation Fund)	12,704	-	12,704
Penalties and interest - sales, income, use, and single business tax	21,854	21,854	-
All other taxes	3,933	3,635	297
	6,044,023	4,715,232	1,328,791
FROM FEDERAL AGENCIES FOR			
Social service programs	1,190,670	9,006	1,181,663
School lunch programs	79,499	-	79,499
Vocational education and rehabilitation	65,701	-	65,701
Elementary and secondary education	128,126	-	128,126
Various other education purposes	32,529	-	32,529
Various public health programs	55,156	1,374	53,781
Mental health programs	24,906	22,437	2,469
State share of revenue sharing	96,457	96,457	-
Various conservation programs	21,805	1,150	20,655
Airways purposes	13,590	-	13,590
Highway purposes	156,165	17,080	139,085
Employment Security Commission--administration	94,011	-	94,011
Omnibus crime control	17,889	-	17,889
Comprehensive Employment and Training Act (CETA)	77,214	-	77,214
Older Americans Act	23,451	-	23,451
All other purposes	52,550	5,738	46,812
	2,129,729	153,245	1,976,483
FROM LOCAL AGENCIES FOR			
Social service programs	18,380	12,689	5,691
Mental health programs	9,541	7,743	1,797
Highway construction and airport construction	4,809	-	4,809
Special education	1,076	-	1,076
All other purposes	4,174	622	3,551
	37,982	21,055	16,926

STATE OF MICHIGAN

COMBINED SCHEDULE OF REVENUE (Continued)

GENERAL AND SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
FROM SERVICES			
Charges for furnishing vehicle driver records...	$ 9,935	$ 1,731	$ 8,203
Revenue from patients, wards, and inmates.....	31,021	24,096	6,925
All other services.....	5,376	2,549	2,825
	46,332	28,377	17,954
FROM LICENSES AND PERMITS			
Liquor retailers', manufacturers', and wholesalers' licenses.....	9,209	1,045	8,160
Motor vehicle operators' and chauffeurs' licenses.....	11,292	369	10,923
Corporation franchise fees.....	4,332	4,332	-
Examination fees -- financial institutions and insurance industry.....	2,838	2,838	-
Department of Licensing and Regulation licenses and permits.....	7,412	7,412	-
Concession and privilege fees - state parks.....	5,347	-	5,347
Motor vehicle title fees, license plate transfer and dealers' plates, various special fees, and registrations.....	11,032	72	10,960
Hunting, fishing, and trapping licenses.....	18,935	17,702	1,232
Public utility assessment fees.....	4,822	-	4,822
Other licenses and permits.....	22,155	12,443	9,711
	97,876	46,717	51,158
MISCELLANEOUS			
Income from investments.....	96,363	76,332	20,031
Various fines, fees, and assessments.....	10,384	2,976	7,407
District court fees.....	5,589	5,589	-
Oil and gas royalties, fees assignments, and rentals.....	26,979	25,738	1,241
Lottery ticket sales.....	410,974	11,407	399,566
Farm production and sales.....	3,542	1,246	2,296
Air and water surveillance fees.....	3,837	-	3,837
Reimbursement of advances made by General Fund to State Building Authority.....	10,843	10,843	-
Other miscellaneous.....	33,461	18,392	15,069
	601,977	152,526	449,450
FROM FUNDS OTHER THAN GENERAL AND SPECIAL REVENUE FUNDS			
Liquor Purchase Revolving Fund.....	113,000	91,373	21,626
Escheats Fund.....	5,000	5,000	-
State Park Improvement Fund.....	5,118	4,718	400
Correctional Industries Revolving Fund.....	2,193	2,169	24
Vietnam Veteran Era Bonus Fund.....	12,000	-	12,000
Other funds.....	7,874	1,045	6,829
	145,186	104,306	40,880
Total Revenue from Sources other than General and Special Revenue Funds.....	9,103,107	5,221,461	3,881,646
FROM GENERAL AND SPECIAL REVENUE FUNDS.....	1,987,010	1,525,168	461,841
Total Revenue.....	$11,090,117	$ 6,746,630	$ 4,343,487

STATE OF MICHIGAN

SCHEDULE OF REVENUE (Continued)

GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
FROM SERVICES			
Charges for furnishing vehicle driver records	$ 9,035	$ 1,731	$ 7,304
Revenue from patients, wards, and inmates	31,021	24,796	6,225
All other services	4,661	2,307	2,354
	45,618	28,135	17,483
FROM LICENSES AND PERMITS			
Liquor retailers', manufacturers', and wholesalers' licenses	9,205	1,045	8,160
Motor vehicle operators' and chauffeurs' licenses	11,792	869	10,923
Corporation franchise fees	4,332	4,332	-
Examination fees--banks, buildings and loan companies, trust companies, credit unions, and insurance companies	2,838	2,838	-
Department of Licensing and Regulation licenses and permits	7,412	7,412	-
Concession and privilege fees-state parks	5,347	-	5,347
Public utility assessment fees	4,822	-	4,822
Other licenses and permits	21,115	11,888	9,226
	66,867	28,387	38,479
MISCELLANEOUS			
Income from investment	33,346	33,276	69
Air and water surveillance fees	3,837	-	3,837
Contributions and donations	2,506	-	2,506
Various fines, fees, and assessments	6,898	1,326	5,571
District court fees	5,589	5,589	-
Oil and gas royalties, fees, assignments, and rentals	14,468	13,227	1,241
Farm production and sales	3,198	901	2,296
Reimbursement of advances to State Building Authority	10,843	10,843	-
Other miscellaneous	18,292	7,796	10,496
	98,981	72,962	26,019
FROM SPECIAL REVENUE FUNDS	248,824	171,282	77,541
FROM OTHER FUNDS			
Liquor Purchase Revolving Fund	113,000	91,373	21,626
Correctional Industries Revolving Fund	2,193	2,169	24
Escheats Fund	5,000	5,000	-
Vietnam Veteran Era Bonus Bond Fund	12,000	-	12,000
Other Funds	7,532	303	7,229
	139,726	98,845	40,880
Total	$ 6,808,080	$ 4,314,245	$ 2,493,834

STATE OF MICHIGAN

DISPOSITION OF GENERAL FUND AUTHORIZATIONS

BY BRANCH AND DEPARTMENT

FISCAL YEAR ENDED SEPTEMBER 30, 1979

(In Thousands)

BRANCH AND DEPARTMENT	CURRENT LEGISLATIVE APPROPRIATION	UNEXPENDED BALANCES FROM PRIOR YEARS	RESTRICTED REVENUE ADDITIONS	APPROPRIATION ADVANCES
Executive	$ 2,159	$ -	$ -	$ -
Legislative	41,351	2,705	1,255	-
Judicial	31,800	402	295	(135)
Management and Budget	71,560	16,286	56,358	(17)
Attorney General	10,799	428	4,519	-
Civil Rights	7,781	95	659	-
Civil Service	5,537	49	5,537	(12)
State	14,740	4,643	45,607	-
Treasury	36,105	309	5,630	-
Education	1,012,577	9,001	294,243	-
Colleges and Universities	212,749	25,282	-	-
Public Health	79,566	8,097	60,109	(269)
Mental Health	416,059	44,862	10,059	(85)
Social Services	1,288,703	11,823	1,194,636	(241)
Corrections	151,575	18,455	487	(198)
Military Affairs	7,594	2,767	4,689	-
State Police	106,594	2,019	9,385	(109)
Transportation	-	-	-	-
Commerce	28,450	(6,936)	45,740	(60)
Labor	23,170	7,279	93,512	(85)
Licensing and Regulation	3,572	42	4	-
Natural Resources	50,619	13,271	71,397	(71)
Agriculture	26,930	903	15,786	(105)
Items Not Assigned to Departments	278,339	75,101	573,992	(321)
TOTAL	$ 4,413,429	$ 240,604	$ 2,493,834	$ (3,061)

BUDGETARY TRANSFERS IN (OUT)	TOTAL AUTHORIZATIONS	EXPENDED AND TRANSFERRED	ENCUMBERED BALANCES FORWARD	UNENCUMBERED BALANCES FORWARD	LAPSED	OVER EXPENDED OR OVER OBLIGATED
$ 10	$ 2,436	$ 1,966	$ -	$ -	$ 209	$ -
-	45,313	38,982	1,881	2,823	1,616	-
540	35,015	32,431	156	208	17	-
122,253)	121,989	102,418	3,631	11,593	4,805	819
473	16,227	15,154	116	312	642	-
-	9,536	8,280	34	-	256	-
271	11,113	10,716	137	-	259	-
87	65,078	62,178	1,677	611	1,107	-
-	42,266	41,115	61	311	1,041	520
2,413	1,816,235	1,697,195	611	8,438	8,858	-
12,864	756,856	732,090	1,681	15,461	905	-
11,503	166,086	151,347	2,776	3,151	6,013	3,181
68,636	129,681	476,496	13,489	11,071	17,631	60
166,312)	2,478,259	1,413,830	5,052	110	15,313	11,616
5,269	178,580	152,356	1,857	19,231	5,265	-
318	15,259	11,891	1,218	2,042	361	-
368	118,553	114,535	1,815	4,123	538	1,259
11	11	11	-	-	-	-
11,011)	79,164	79,718	1,153	625	1,169	1,908
12,774)	124,602	117,161	134	361	5,756	11
-	8,635	7,947	651	-	419	-
234	134,653	112,432	1,496	15,137	5,888	11
1,665)	43,411	35,184	417	474	7,139	108
363	208,079	134,963	191	61,097	11,528	1,331
$ -	$ 7,154,454	$ 5,511,155	$ 43,315	$ 168,840	$ 85,904	$ 20,835

STATE OF MICHIGAN

SCHEDULE OF TAXES, INTEREST AND PENALTIES RECEIVABLE BY FUND

SEPTEMBER 30, 1979

(In Thousands)

AGE	GENERAL FUND	MICHIGAN TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION FUND	SCHOOL AID FUND
0 - 60 Days	$ 354,068	$ 679	$ -	$ 69,773
61 - 90 Days	4,217	49	-	629
91 - 180 Days	18,375	274	-	3,730
181 - 365 Days	25,775	413	-	4,141
1 - 2 Years	25,104	239	1,198	2,567
Over 2 Years	31,133	188	3,818	3,974
TOTAL TAXES RECEIVABLE	458,674	1,840	5,016	82,864
LESS ALLOWANCE FOR UNCOLLECTIBLE TAXES	82,925	1,440	2,725	9,222
LESS REVENUE EXPECTED TO BE RECEIVED AFTER SEPTEMBER 30, 1980	17,818	79	-	1,966
NET TAXES RECEIVABLE	$ 357,930	$ 324	$ 2,291	$ 71,175

STATE OF MICHIGAN

GENERAL GOVERNMENTAL REVENUE BY SOURCE

LAST TEN YEARS

SEPTEMBER 30, 1979

(In Thousands)

SOURCE	1969-1970	1970-1971	1971-1972	1972-1973	1973-1974
TAXES	$ 2,282,917	$ 2,476,286	$ 2,847,471	$ 3,323,894	$ 3,467,770
FEDERAL AGENCIES	566,723	703,127	848,170	1,202,562	1,264,706
LOCAL AGENCIES	14,470	17,563	20,055	19,018	12,114
SERVICES	36,298	39,054	35,291	38,547	38,802
LICENSES AND PERMITS	49,475	55,875	204,510	218,373	226,345
MISCELLANEOUS	71,574	63,506	80,662	169,083	277,179
FROM OTHER FUNDS	58,934	87,854	71,363	50,330	86,215
TOTAL REVENUE	$ 3,080,393	$ 3,444,173	$ 4,158,425	$ 5,021,810	$ 5,373,135

NOTE: In 1975-76 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

1974-1975	1975-1976	1976-1977	1977-1978	1978-1979
$ 3,488,331	$ 4,907,922	$ 4,760,007	$ 5,389,620	$ 6,044,023
1,445,000	2,144,561	1,840,934	2,066,814	2,129,729
13,812	15,692	29,184	36,125	37,082
41,822	43,612	33,294	37,751	46,237
237,670	269,002	108,511	97,993	97,825
270,618	385,958	329,813	445,842	681,977
87,782	121,666	72,950	81,430	145,184
$ 5,585,038	$ 7,888,417	$ 7,174,696	$ 8,155,678	$ 9,103,107

1973-1974	1974-1975	1975-1976	1976-1977	1977-1978	1978-1979
$ 1,055,630	$ 1,111,676	$ 1,318,947	$ 1,223,667	$ 1,376,414	$ 1,506,299
965,704	962,805	1,566,656	1,465,467	1,712,373	1,943,478
295,128	222,307	137,298	(23,218)	9,283	13,815
-	-	354,851	803,525	899,390	1,081,300
215,165	217,474	279,703	225,454	229,314	228,339
550,321	547,172	678,675	596,420	615,115	747,512
385,812	426,884	571,784	468,685	547,706	810,592
$ 3,467,760	$ 3,488,318	$ 4,907,914	$ 4,760,000	$ 5,395,616	$ 6,084,023

STATE OF MICHIGAN

SCHEDULE OF EXPENDITURES BY FUNCTION

GENERAL AND SPECIAL REVENUE FUNDS

LAST TEN YEARS

SEPTEMBER 30, 1979

(In Thousands)

	1969-1970	1970-1971	1971-1972	1972-1973
GENERAL GOVERNMENT	$ 98,423	$ 111,615	$ 130,836	$ 191,347
EDUCATION	1,357,082	1,481,167	1,866,774	1,316,851
HEALTH AND WELFARE	611,899	847,294	1,093,131	1,301,410
PUBLIC SAFETY AND CORRECTIONS	72,190	81,932	83,093	105,963
CONSERVATION AND RECREATION	54,163	62,535	60,964	75,987
REGULATORY	69,845	87,268	99,451	112,162
MENTAL HEALTH	183,474	184,778	191,140	225,184
TRANSPORTATION	452,533	477,394	549,448	569,880
OTHER GRANTS AND DISTRIBUTIONS	229,976	215,822	235,952	294,801
TOTAL EXPENDITURES	$ 3,077,592	$ 3,529,977	$ 4,020,791	$ 4,618,399

NOTES: In 1975-76 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

The 1978-79 figures exclude interfund transfers. For years prior to 1978-79, only interfund transfers between the General and Special Revenue Funds are excluded.

1973-1974	1974-1975	1975-1976	1976-1977	1977-1978	1978-1979
$ 249,549	$ 281,332	$ 441,793	$ 388,417	$ 475,273	$ 563,933
1,922,559	2,081,217	2,629,984	2,402,842	2,637,032	2,584,687
1,465,776	1,731,176	2,509,930	2,128,233	2,371,985	2,561,447
121,399	141,889	207,823	197,867	244,587	276,630
87,728	95,846	132,936	115,389	143,620	155,136
125,535	165,791	237,034	206,616	275,724	285,189
246,205	278,783	364,427	326,820	390,287	476,488
620,956	690,293	900,074	744,596	738,101	881,811
328,226	322,631	383,777	493,734	546,373	639,257
$ 5,167,947	$ 5,788,969	$ 7,807,795	$ 7,004,533	$ 7,822,988	$ 8,424,583

STATE OF HAWAII

RATIO OF ANNUAL GENERAL FUND DEBT SERVICE EXPENDITURES (NON-CAPITAL)

BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN YEARS

SEPTEMBER 30, 1979

(In Thousands)

FISCAL YEAR	PRINCIPAL	INTEREST AND FISCAL CHARGES	TOTAL DEBT SERVICE	TOTAL GENERAL FUND EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL FUND EXPENDITURES
1969-1970	$ 13,860	$ 7,507	$ 15,337	$ 1,162,385	.70
1970-1971	9,351	8,538	19,888	1,661,533	.92
1971-1972	8,755	11,812	19,568	2,951,217	.63
1972-1973	9,886	13,694	23,584	3,486,909	.56
1973-1974	21,562	15,957	42,519	3,906,191	1.10
1974-1975	28,351	18,790	47,141	4,347,055	1.08
1975-1976	44,621	22,695	67,316	5,426,719	1.26
1976-1977	32,626	26,617	59,243	5,326,598	1.11
1977-1978	33,270	28,829	62,100	6,937,850	1.11
1978-1979	40,470	23,088	64,558	8,251,835	.91

NOTE: In 1975-1976 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

Prior to fiscal year 1971-72 the School Bond Loan Fund was financed through the issuance of notes.

Principal and interest on short-term general obligation notes are not included in this bonded debt schedule.

STATE OF MICHIGAN

NET GENERAL BONDED DEBT PER CAPITA

LAST TEN YEARS

SEPTEMBER 30, 1979

(In Thousands)

	1969-1970	1970-1971	1971-1972	1972-1973
POPULATION	8,881	8,996	9,013	9,061
GROSS BONDED DEBT	$ 69,350	$ 205,000	$ 368,500	$ 409,500
LESS DEBT SERVICE FUNDS	-	-	-	1,041
NET BONDED DEBT	$ 69,350	$ 205,000	$ 368,500	$ 408,459
NET BONDED DEBT PER CAPITA (IN DOLLARS)	$ 7.81	$ 22.79	$ 40.89	$ 45.08

NOTE: In 1975-76 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

*SOURCE: Federal Bureau of the Census

1973-1974	1974-1975	1975-1976	1976-1977	1977-1978	1978-1979
9,117	9,111	9,113	9,129	5,233	9,208
$ 410,500	$ 556,500	$ 573,500	$ 537,500	$ 527,500	$ 482,500
225	2,390	2,655	3,188	4,447	3,3[illegible]
$ 410,275	$ 554,110	$ 570,845	$ 534,312	$ 523,053	$ 479,1[illegible]4
$ 45.00	$ 60.82	$ 62.64	$ 58.53	$ 56.65	$ 52.03